Canada Revenue Agency

2008-2009
Estimates

Report on Plans and Priorities

The Honourable Gordon O'Connor, P.C., M.P.
Minister of National Revenue

Mission

To administer tax, benefits, and related programs and ensure compliance on behalf of governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians.

Vision

The CRA is the model for trusted tax and benefit administration, providing unparalleled service and value to its clients, and offering its employees outstanding career opportunities.

Values

Integrity
Professionalism
Respect
Co-operation

Branding Promise

Contributing to the well-being of Canadians and the efficiency of government by delivering world-class tax and benefit administration that's responsive, effective, and trusted.

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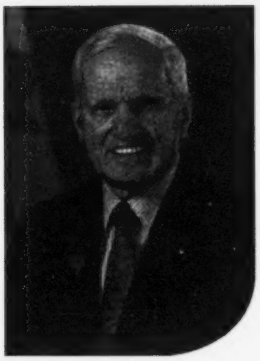
Message from the Minister



Each year the Canada Revenue Agency (CRA) administers billions of dollars in tax revenue and distributes benefit and credit payments to millions of Canadians. The CRA plays a vital role in the protection of Canada's revenue base, the source of funding for government programs and services to Canadians. As such, the confidence of Canadians in the CRA's integrity is essential to its success in administering taxes and benefit programs on behalf of governments across Canada.

To maintain the high level of confidence that Canadians have in the CRA, taxpayers must be treated fairly and consistently. For this reason, our government has introduced the Taxpayer Bill of Rights, introduced a service complaints process, and has established Canada's first Taxpayers' Ombudsman to respond to the service concerns of Canadians. These government initiatives and the CRA's supportive response to them are reflected in this *Report on Plans and Priorities 2008-2009*.

The CRA also continues its tradition of implementing new tax measures in a professional and timely manner. This report sets out the work, in accordance with the agreement reached by our government and the Province of Ontario, that will result in the CRA completing its transition to full harmonization and single administration of corporate taxes for the province of Ontario by April 2009. This initiative will reduce the administrative burden for approximately 40% of Canadian businesses. The CRA continues its initiative to reduce the compliance burden of small businesses and the majority of our projects under this initiative are now underway.

The CRA's dedication to service, effective enforcement, and accountability continue to be well-demonstrated in this report. The Agency's commitment to monitoring and improving on its Service Standards provides assurance that Canadians can continue to have confidence in the CRA as a fair and accountable administrator. Consequently, I am pleased to submit the CRA's *Report on Plans and Priorities 2008-2009* to the Treasury Board of Canada for approval.

The Honourable Gordon O'Connor, P.C., M.P.
Minister of National Revenue

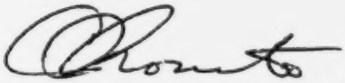
Foreword by the Chair

Each year, the Canada Revenue Agency (CRA) produces a Report on Plans and Priorities outlining the objectives, strategies, expected results, and financial projections over the next three years. The Board of Management oversees the development of this report and monitors progress against its implementation.

The "Agency Governance and the Board of Management" discussion of this report describes the Board's priorities for the planning period, by aligning them with the Board's statutory oversight responsibilities as set out in the *Canada Revenue Agency Act*. This alignment will ensure that the Board can better assess the management results achieved in the areas of its responsibilities.

The year 2008 will mark the eighth year since Revenue Canada became the Canada Revenue Agency. Within those eight years, the Agency's governance practices have matured as it has more fully leveraged its unique governance model to strengthen its performance. The CRA's governance model and processes are now increasingly recognized as best practices, and are being adopted by other organizations seeking to strengthen their governance.

The CRA is pursuing a vision of establishing itself as the model for trusted tax and benefit administration, providing unparalleled service and value to its clients and offering its employees outstanding career opportunities. The Board of Management takes great pride in being part of the dedicated group of people committed to that goal and in recommending the *Report on Plans and Priorities 2008-2009* to the Honourable Gordon O'Connor, Minister of National Revenue.



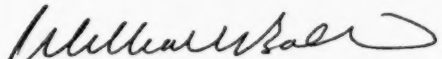
Connie I. Roveto, ICD.D
Chair, Board of Management

Management Representation

I submit for tabling in Parliament the *Report on Plans and Priorities 2008-2009* for the Canada Revenue Agency.

This document has been prepared based on the reporting principles contained in the *Guide to the Preparation of Part III of the 2008-09 Estimates: Report on Plans and Priorities and Departmental Performance Reports*:

- It adheres to the specific reporting requirements outlined in the Treasury Board of Canada Secretariat guidance;
- It is based on the Agency's strategic outcomes and program activities that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced, and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved, planned spending numbers from the Treasury Board of Canada Secretariat.



William V. Baker
Commissioner and Chief Executive Officer
Canada Revenue Agency

Canada Revenue Agency Program Activity Architecture

Our Mission

To administer tax, benefits, and related programs and to ensure compliance on behalf of governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians

Strategic Outcomes

Achieving our Mission

Tax Services

Taxpayers meet their obligations and Canada's revenue base is protected

Benefit Programs

Eligible families and individuals receive timely and correct benefit payments

Program Activities

Meeting our Expected Results, thereby achieving our Strategic Outcomes

PA1	PA2	PA3	PA4	PA5	PA6
Taxpayer and Business Assistance	**Assessment of Returns and Payment Processing**	**Accounts Receivable and Returns Compliance**	**Reporting Compliance**	**Appeals**	**Benefit Programs***
Expected Results	*Expected Results*	*Expected Results*	*Expected Results*	*Expected Results*	*Expected Results*
Taxpayers, businesses, and registrants have access to timely and accurate information	Assessment and payment processing are timely and accurate	Tax and non-tax debt are resolved on a timely basis and are within targeted levels	Non-compliance is detected and addressed	Taxpayers receive an impartial and timely review of contested decisions	Benefit recipients have access to timely and accurate information
				Service complaints and taxpayer relief provisions are administered consistently	Eligibility determination and payment processing are timely and accurate
Non-compliance is detected and addressed	Non-compliance is detected and addressed	Non-compliance is detected and addressed	Processing is timely and accurate		

* As the number of benefits-related requests for redress is negligible, the workload is handled under Appeals – Tax Services (PA5).

Program Activities by Strategic Outcome

(thousands of dollars)	Planned Spending[1] 2008-2009[2]	2009-2010[2]	2010-2011[2]
Strategic Outcome: Taxpayers meet their obligations and Canada's revenue base is protected.			
Taxpayer and Business Assistance	365,745	368,591	365,682
Assessment of Returns and Payment Processing	864,698	857,675	861,471
Accounts Receivable and Returns Compliance	662,994	669,185	667,119
Reporting Compliance	1,432,006	1,447,954	1,449,432
Appeals	165,346	169,281	171,359
Strategic Outcome: Eligible families and individuals receive timely and correct benefit payments.			
Benefit Programs	384,414	390,803	399,213
Total Agency[3]	**3,875,204**	**3,903,488**	**3,914,276**

1 Corporate Services (Program Activity 7) planned spending has been attributed to the 6 PA under the two strategic outcomes as follows: Taxpayer and Business Assistance, 9.75%; Assessment of Returns and Payment Processing, 23.83%; Accounts Receivable and Returns Compliance 20.74%; Reporting Compliance, 36.99%; Appeals, 3.69% and Benefit Programs, 5%.

2 The Planned Spending amounts shown in this table are net of Revenues Credited to the Vote and include the attribution to each program activity of the adjustments shown in Table 2 in Section III.

3 Figures may not agree due to rounding.

Agency Link to Government of Canada Outcomes

(thousands of dollars)	Planned Spending 2008-2009	2009-2010	2010-2011	Alignment to Government of Canada Outcomes
Strategic Outcome: Taxpayers meet their obligations and Canada's revenue base is protected.				
Taxpayer and Business Assistance	365,745	368,591	365,682	All the Government of Canada outcomes.
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Executive Summary

The Canada Revenue Agency (CRA) has established a reputation for achieving its objectives. The *Report on Plans and Priorities 2008-2009* outlines the strategies to build on this strong performance, while continuing to direct the CRA along the path set out for it by Parliament in the *Canada Revenue Agency Act*.

Pursuant to its mandate, the CRA is governed by two strategic outcomes:

- Taxpayers meet their obligations and Canada's revenue base is protected; and
- Eligible families and individuals receive timely and correct benefit payments.

Over the planning period, we will focus on our strategic themes of excellence in program delivery and a workplace committed to excellence.

Tax Services and Benefit Programs

It is our view that, if we make it easier for taxpayers to deal with the CRA, they are more likely to comply with Canada's tax laws.

Our focus on excellence in program delivery is the means by which we will achieve our tax and benefits strategic outcomes. This entails:

- continuing to enhance electronic service offerings;
- harmonizing the administration of Ontario corporate income tax;
- reducing non-compliance in identified sectors;
- continually assessing our compliance strategies;
- managing the level of tax debt; and
- enhancing relationships with others, including our international partners.

Human Resources

Our commitment to excellence in program delivery can only be achieved within a workplace culture that is committed to excellence. Building a modern, progressive human resources regime has been key to our success as an agency. Over the planning period we will focus on:

- developing and implementing a human resources plan that is fully integrated with business planning;
- recruiting strategically;
- completing implementation of competency-based human resources management principles; and
- finalizing our new human resources service delivery model.

Conclusion

Canadians have the right to expect a high degree of integrity in the administration of government tax policies and benefit programs. They want a system that is fair and responsive to their needs, that encourages all taxpayers to respect their obligations and that ensures benefit recipients obtain their entitlements in a timely and accurate manner. This report sets out the strategies to further strengthen the Canada Revenue Agency's capacity to achieve these goals. We are investing in our infrastructure to enhance our efficiency and reduce the costs of governments for Canadians; we are modernizing our service delivery to take advantage of emerging technology; we are actively identifying compliance risks and implementing strategies to address these risks, and we are continuing to develop a knowledgeable, professional and values-driven workforce.

We are confident that the CRA will continue to meet its challenges, delivering concrete results for Canadians and providing clear and accurate information on its performance. This supports our commitment to Canadians for transparency, accountability and service that is centred on taxpayers and benefit recipients.

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Canada Revenue Agency Plans and Priorities

Our Operating Environment

As part of our strategic planning process, we conduct environmental scans regularly to better understand the external environment and existing interconnections and interdependencies. We also conduct risk assessments to assess and address threats and opportunities that may impede or enhance our ability to achieve our strategic outcomes. Our Board of Management adds a broad public- and private-sector perspective to this process.

Government Environment

The October 2007 Speech from the Throne identified effective economic leadership as a key priority for the Government of Canada, to be achieved largely through fiscal policy, tax reduction, and a review of the tax structure. Also, in 2007, the Federal Government committed, in both the Federal Budget and the Science and Technology Strategy, to improve the Scientific Research and Experimental Development (SR&ED) tax incentive program, including its administration.

In implementing the new Expenditure Management System through the Treasury Board of Canada Secretariat (TBS), the federal government is conducting strategic reviews of all departments and agencies on a four-year cycle. TBS will also introduce a Service Policy Framework that sets out desired outcomes and key principles related to quality internal and external services. In both cases, the CRA will be a key participant.

Renewal is a major internal priority of the Public Service. An advisory committee of former senior officials has been struck to advise the Clerk of the Privy Council on public service renewal through an array of initiatives leading to excellence, innovation, leadership at all levels, and the branding of the Public Service of Canada as a career of choice. Commensurate with its size and impact, the CRA will play a significant role in this renewal effort.

The Economy

The Canadian economy is fundamentally strong and has enjoyed a sustained period of economic growth. Unemployment rates are low and household net worth and corporate profits are strong. While there are signs that global economic growth may slow, Canada will continue to be a strong economic performer. However, factors such as a weaker-than-expected U.S. economy; the market and economic adjustment to a higher Canadian dollar; continued global competition; and labour market shortages will all likely converge to create a demanding fiscal and economic context over the next few years.

Compliance Challenges

The evolving international economy, increasing business integration across borders, electronic commerce, and changing demographics are examples of the many factors that can potentially contribute to the compliance challenges associated with tax administration. For example, the abusive use of tax havens has been identified as a serious threat to compliance in many countries, including Canada. There is also public concern in Canada about the regulation of charities. Keeping abreast of these factors, as well as identifying and prioritizing compliance challenges, are important activities that enable us to adjust our strategies and programs to manage the key risks to compliance.

Tax administrations around the world have reported marked increases in tax debt inventories, a trend noted in recent Organization for Economic Co-operation and Development (OECD) studies. Canada is no exception. Changing patterns in taxpayer compliance, economic factors affecting business viability, and the impact of increased verification activity are factors contributing to this trend, which is also being experienced by Canada.

Trust, Transparency, and Accountability

Recent events and government priorities have resulted in an even greater interest for the public service to operate in a culture of openness. This, coupled with the heightened expectations by citizens for clear linkages between expenditures and outcomes, reinforces the need for government institutions to function more efficiently. The protection of information by the CRA and the perception by Canadians of good service and fair treatment by the CRA play important roles in maintaining the public's trust in the Agency.

Demographic Trends

Between 2001 and 2006, Canada experienced the highest rate of population growth (5.4%) among G8 countries, due mostly to international migration. It is projected that, by 2017, one in five Canadians will be a member of a visible minority, who will actually form the majority in Canada's three largest cities. In addition, more and more Canadians are choosing to live in urban areas. Each of these trends is expected to impact the way the CRA delivers its programs.

Baby boomers will continue to influence public policy and will likely demand enhanced services. The number of seniors will double by 2020, creating tax and benefits implications (e.g., changes in status from employees to pension recipients). Many workers who are 50 years of age or older will work beyond traditional retirement age. There is a growing recognition that Canada needs to remove legal barriers to later-life employment and this could have implications on tax administration.

Changing demographics and economic growth create a competitive labour market for talent; standardization of benefits and work requirements is vanishing. The CRA continues to compete with other organizations to attract young workers. Retaining our employees with their wealth of corporate knowledge and creating the environment for effective knowledge transfer are critical to business sustainability, given current demographics and labour market projections.

Technological Change

The effective implementation of technology offers the opportunity to continuously improve service and increase productivity. Revenue administrations in all OECD countries increasingly rely on information technology (IT) solutions for risk analysis, service to the public, and compliance.

More and more, Canadians are demanding expanded electronic service options that are fast, efficient, and convenient, and that protect privacy and the confidentiality of their information. To achieve its mandate, the CRA relies heavily on IT to deliver its programs and services to Canadians, as was made clear in March 2007 when the Agency experienced computer system difficulties that prevented the public from completing electronic transactions using services such as My Account, Netfile and Efile.

Numerous CRA business programs are underpinned by increasingly complex technology and information/data sharing/integration requirements. In this context, ensuring that we maintain the physical IT infrastructure to house and protect our IT assets (e.g., applications and data) and ensuring our IT solutions can meet the growing business requirements are fundamental IT priorities for the CRA.

IT governance is also a growing concern across government. In the earlier days of computer technology, non-integrated solutions were the norm and IT governance for this type of system was simpler. With the transition to integrated IT solutions and in addressing the sustainability of legacy systems, IT governance issues are becoming increasingly apparent. How to define and manage data and system ownership and how to sustain and enhance these integrated IT systems are examples of important IT governance questions that are now surfacing. A thoughtful and well-formulated response to these questions will enable the CRA to manage the strategic advantage that our integrated solutions can provide. It will also maintain the confidence of Canadians that appropriate governance mechanisms are in place around IT investments.

Our Strategic Themes

Overview

As a national organization with an unparalleled program delivery capacity and extensive contact with citizens and businesses, the CRA has established itself as a high-performance organization, providing more services to more federal, provincial, territorial, and First Nations clients than ever before. The suite of three themes in our most recent Corporate Business Plan strengthened the CRA by placing greater focus on core business capacity, optimizing our governance model, and elaborating a business development strategy. With most of the attendant initiatives completed, it is time to reset and refresh our strategies.

Vision

The CRA is the model for trusted tax and benefit administration, providing unparalleled service and value to its clients, and offering its employees outstanding career opportunities.

This *Report on Plans and Priorities 2008-2009* outlines strategies that recognize the ever-increasing role of the CRA and the growing dependence and trust our clients have in our performance. We will base assessments of our performance on progress in realizing our strategies through a sound internal performance measurement framework and, where warranted, assessments by renowned international organizations. We believe that our goals will be realized by achieving excellence in our operations and our workplace.

The following two strategic themes will guide us during the period covered by this report.

- **Excellence in Program Delivery**
- **A Workplace Committed to Excellence**

These two themes are interconnected. Operational excellence cannot be achieved without top-quality human resources. Through improved governance, collaboration, and communication, the CRA will think and work in a more horizontally integrated fashion to develop and implement our products, services, and systems.

In 2007, the CRA conducted an in-depth review of the funding, relevance and performance of all its programs and spending to ensure results and value for money from programs that are a priority for Canadians. The results of this Strategic Review were submitted to Treasury Board last fall, for subsequent review by Cabinet. The results of this Review will be reflected in future reporting to Parliament.

Excellence in Program Delivery

Mission

The mission of the CRA is to administer tax, benefits, and related programs, and to ensure compliance on behalf of governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians.

Canadians rely on the CRA for the fair administration of Canada's tax laws and the delivery of credits and benefits that contribute to their economic and social well-being. Along with the Government of Canada, our provincial, territorial, and First Nations clients expect us to ensure compliance with their tax legislation and to raise the revenues necessary to provide Canadians the means to realize a safe, healthy, and prosperous country.

To achieve operational excellence and to ensure the integrity and fairness of the Canadian system of tax administration, our focus over the planning period will be on:

- strengthening service;
- enhancing our efforts to address non-compliance;

- reinforcing trust; and
- maintaining effective relationships.

Strengthening Service

Promoting a high degree of compliance reduces the burden of administering and collecting taxes for all Canadians. Voluntary compliance and self-assessment are the best, most cost-effective ways to administer Canada's tax system. Given the opportunities, information, and tools, most Canadian individuals and businesses will comply with the law. The open, responsive, timely, and accessible nature of information regarding taxpayers' obligations are key aspects of a fair revenue administration.

Our goal is to make current and accurate information available in a manner that is best suited to the needs, abilities, and preferences of taxpayers, because we believe that this positively influences levels of compliance.

We are finalizing and will implement a CRA Service Strategy. Each tax and benefits service we deliver must be integrated with our compliance strategy and consider our costs and capacity as well as the needs and expectations of the Canadians, businesses, and clients we deal with every day. Reducing the cost and complexity of dealing with government is particularly relevant to the business community, where every cost element is a factor in competitiveness. For example, the CRA will implement the initiatives of the Action Task Force on Small Business Issues.

Service delivery begins with the right infrastructure. Canadians have embraced our service modernization initiatives, and clearly support enhancements that make service faster and provide easier access to information. A large part of our success in building a suite of services for Canadians is a result of our extensive program of consultation in designing, developing, and evaluating our service offerings. The ability to structure our services to the needs of the groups with whom we deal is critical because the way we serve them shapes Canadians' perception of the CRA.

We will enhance our electronic service offerings

In implementing our service strategy, we will provide information to and consult with key stakeholders to develop and promote further electronic services. We will focus on the efficient management of our service mechanisms to meet taxpayer needs, optimize the use of technology, and reach out to all taxpayers and benefit recipients.

We will target our outreach to increase voluntary compliance

It is also important that we constantly communicate what the CRA does and why to reinforce to Canadians the idea that paying the right amount of tax is a civic responsibility and access to appropriate benefits is a civic right. We will promote voluntary compliance through an enhanced communications approach, and adapt our services to the characteristics of identified segments of the Canadian population. We will also continue to strengthen our communications concerning the consequences of non-compliance. To maintain high enrolment for benefit programs, we will continue communications and outreach activities with benefit recipients, especially persons with disabilities.

We will harmonize the administration of Ontario corporate tax

As a federal institution acting in the national interest, we will complete the successful transition of the harmonized administration of Ontario corporate tax to the CRA.

The CRA is front and centre in the Government of Canada's service agenda. This is not only because enhancing service is a critical strategy for the CRA to achieve our tax compliance and benefits delivery objectives, but because of our extensive public contact and our past leadership on service innovation and automation.

As we continue to move our service agenda forward, we must react to changing government priorities, new government initiatives, environmental impacts, the government service renewal direction, and economic

statements. In order to meet these demands, we will continue to invest in management best practices and technology as part of our flexible infrastructure. These investments will allow us to meet the needs of Canadians and enable us to achieve our performance objectives.

Enhancing our Efforts to Address Non-Compliance

Compliance with tax laws is important to keep Canada's tax system fair for all and to support the programs and services that benefit all Canadians. Taxes collected by the CRA fund a wide range of social and economic programs, such as national security, education, health care, social assistance, income and economic supplements and incentives (e.g., the Canada Child Tax Benefit and the Scientific Research and Experimental Development Program), and many of the goods and services that enrich the quality of life of Canadians. For these reasons, the CRA promotes compliance and addresses non-compliance to help ensure that everyone pays their required taxes and that Canada's revenue base is protected.

Canada's tax laws are complex and taxpayers' tax arrangements are growing more sophisticated. Promoting compliance requires that we keep pace with changes in our operating environment, which range from new economic conditions to changing international opportunities to technological advances. In addition, we must assess the impact of these changes on our ability to operate as well as their effect on compliance with our tax laws. The CRA's approach is dynamic and balanced. We provide support to those who wish to comply with Canadian tax laws, while taking appropriate action to identify and deal with those who do not.

Our goal is to reduce non-compliance in identified high-risk segments of the taxpayer population and industry sectors, by addressing the root causes of this behaviour.

We will continue to assess our compliance strategies to ensure that we identify and address the most serious cases of non-compliance and take appropriate action to ensure that Canada's revenue base is protected in a cost-effective manner. We will increase our focus on aggressive tax planning—including the abusive use of tax havens. Each compliance activity will be developed and implemented with full consideration given to our other compliance activities and the CRA service delivery strategy.

We will enhance communications and information sharing

We will also leverage, as key communications partners, tax practitioners and other intermediaries to help enhance compliance and to identify and implement service improvements. We will work to strengthen how we collect information through the increased use of transaction records and information slips, such as share sales and asset transfers. Keeping in mind potential privacy concerns and statutory limitations, we will also identify opportunities for—and assess the benefits of—additional reporting by third parties and seek more information sharing with other government departments and agencies in achieving our service delivery and compliance objectives.

We will work with our international partners

Our approach to compliance is supported through co-operation with other tax administrations and international organizations. We will work with various international groups such as the OECD and the Joint International Tax Shelter Information Centre to identify and respond to compliance threats, and share experience and best practices.

We will manage the level of tax debt

Tax administrations around the world have reported marked increases in tax debt inventories, a trend faced by many OECD countries. The contributing factors are acknowledged to be numerous and complex due to variables such as changing taxpayer compliance patterns and economic factors affecting

business viability. This trend has been noted in Canada as well; consequently, maximizing tax debt collections continues to be a priority for the CRA.

Over the planning period, we will continue with the integration of relevant business processes and improve our risk profiling capability for accounts that are subject to our tax debt activities. Each of these activities focuses on significantly refining our program delivery model, improving our processes and systems infrastructure through our Integrated Revenue Collections Project, and undertaking improvements designed to manage our tax debt workloads more effectively.

Reinforcing Trust

The Government of Canada has recently responded to demands for increased accountability and placed a renewed focus on values and ethics by those in a position of public trust. Given the CRA's size and extensive contact with Canadians, our performance and the way we deal with Canadians significantly influences the public perception of government. We will be successful only if Canadians continue to trust us to be fair, open, and professional, and to keep their information confidential.

Our goal is to demonstrate impartiality in applying legislation, rigour and probity in the handling of public monies and information, and professionalism and accountability in our day-to-day actions.

To retain the public's trust, the CRA must ensure that Canada's tax administration system is both fair and seen to be fair. We will fully support the Taxpayer Bill of Rights which confirms that the CRA will continue to serve taxpayers with a high degree of accuracy, professionalism, courtesy and fairness.

Taxpayers who feel that they have been treated fairly have greater confidence in their dealings with us, which, in turn, enhances our capacity to protect Canada's revenue base. Access to fair and impartial redress is integral to Canada's tax system. Consequently, we will maintain high levels of transparency and consistency in dispute resolution, while at the same time seeking opportunities for improvement.

To foster increased taxpayer confidence in our self-assessment system, we will also strengthen processes for the administration of taxpayer relief provisions and support the Office of the Taxpayers' Ombudsman to address service-related complaints. In addition, we will continue to demonstrate how we merit Canadians' trust in our commitment to meeting our targets under the *Access to Information Act* and the *Privacy Act*.

Maintaining Effective Relationships

The CRA has had established relationships with other federal government departments, provinces, territories, and First Nations governments for many years.

Our goal is to build and maintain strong relationships with our partners and clients, to increase the effectiveness and efficiency of tax administration and revenue collection for all levels of government in Canada.

We will enhance our relationships with others

A specific initiative will be to define the Basic Service Offering to provinces and territories, and where mutually agreed, enhance service levels on a cost-recovery basis.

Our relationship with the Department of Finance is a comprehensive one that covers tax policy, fiscal and revenue planning and forecasts, Government of Canada positions on technical issues, and a number of benefit-type programs that are delivered through Canada's tax system. A healthy and positive relationship with the Department of Finance is critical to the current and future CRA.

We will manage and advance our relationship with the Department of Finance to develop a better appreciation of where tax policy and financial

reporting requirements could be moving over the coming years. This information will be used not only to shape our strategies, but will also contribute to the ongoing development of our infrastructure and knowledge.

We will also focus on building an appropriate and constructive relationship with the Treasury Board of Canada Secretariat (TBS)—one that complements the authority of our Board of Management.

Measuring Our Strategic Outcomes

We use the following two strategic outcomes to assess our success in achieving the CRA's mandate.

- **Taxpayers meet their obligations and Canada's revenue base is protected**
- **Eligible families and individuals receive timely and correct benefit payments**

These strategic outcomes govern the priorities we pursue and the investments we make to support those priorities.

Strategic Results Chain

This Report on Plans and Priorities rests on a strategic results chain (see page 17). The results chain illustrates the different levels of results that the CRA seeks to achieve. At the higher levels of the chain, it becomes increasingly challenging for us to demonstrate our direct influence. The lower part of our results chain shows the expected results that we work toward to influence the results of strategic outcome measures shown higher on the chain. Building on our achievements against our expected results, we use our strategic outcome measures as indicators of Canadians' behaviour to assess whether or not we have met our strategic outcome.

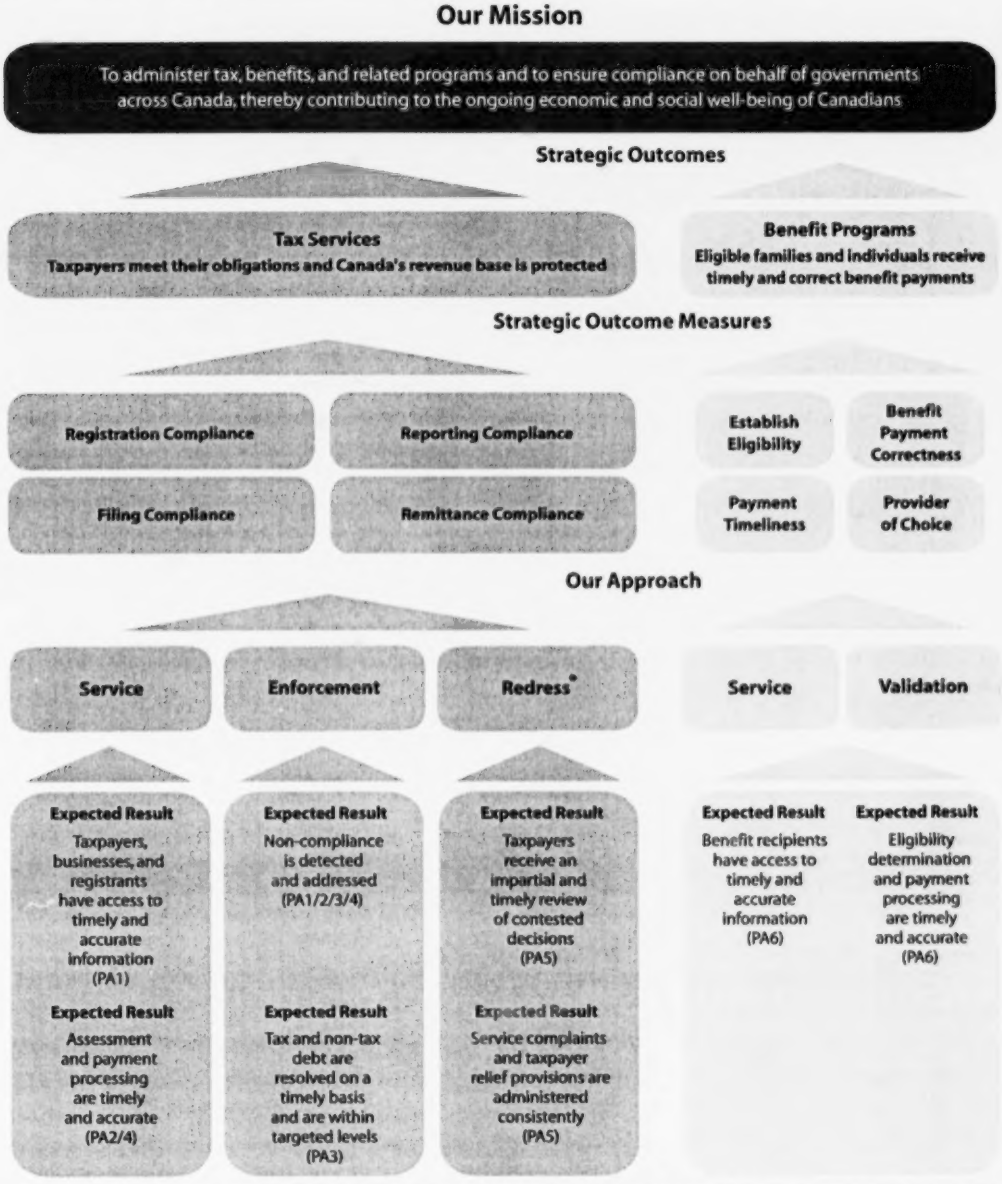
Beginning on page 23, we identify each expected result for each of our Program Activities and discuss the priority initiatives that we will undertake to enhance our results against our key indicators and targets. Since several expected results span our program activities, the illustration of our results chain does not exactly match the CRA's Program Activity Architecture shown on page 7.

In addition, we use our results chain to identify gaps and address the relevancy of our results measures and indicators. We are currently in the midst of a complete review of our strategic measures and indicators as well as their targets. We have included in this report the initial results of this review for both the Tax Services and the Benefit Programs strategic outcomes. In some instances, targets for our measures have yet to be determined. Over the coming years, we intend to establish these targets and to take further steps to improve our indicators to enhance our ability to report against our strategic outcomes.

Strategic Results Chain

The results of the CRA contribute to two of the Government of Canada's strategic outcomes[1]:

- *Federal organizations that support all departments and agencies, and*
- *Income security and employment for Canadians.*


Our Mission
To administer tax, benefits, and related programs and to ensure compliance on behalf of governments across Canada, thereby contributing to the ongoing economic and social well-being of Canadians
Strategic Outcomes
Tax Services
Taxpayers meet their obligations and Canada's revenue base is protected
Benefit Programs
Eligible families and individuals receive timely and correct benefit payments
Strategic Outcome Measures
Registration Compliance
Reporting Compliance
Filing Compliance
Remittance Compliance
Establish Eligibility
Benefit Payment Correctness
Payment Timeliness
Provider of Choice
Our Approach
Service
Enforcement
Redress*
Service
Validation
Expected Result
Taxpayers, businesses, and registrants have access to timely and accurate information (PA1)
Expected Result
Assessment and payment processing are timely and accurate (PA2/4)
Expected Result
Non-compliance is detected and addressed (PA1/2/3/4)
Expected Result
Tax and non-tax debt are resolved on a timely basis and are within targeted levels (PA3)
Expected Result
Taxpayers receive an impartial and timely review of contested decisions (PA5)
Expected Result
Service complaints and taxpayer relief provisions are administered consistently (PA5)
Expected Result
Benefit recipients have access to timely and accurate information (PA6)
Expected Result
Eligibility determination and payment processing are timely and accurate (PA6)

* As the number of benefits-related requests for redress is negligible, the workload is handled under Appeals – Tax Services (PA5).

Measures for each of these expected results can be found in the Section II: Analysis of Program Activities by Strategic Outcome starting on page 23.

1. Further information on these outcomes can be found at www.tbs-sct.gc.ca

Tax Services

Taxpayers meet their obligations and Canada's revenue base is protected

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending[1]			
Taxpayer and Business Assistance	365,745	368,591	365,682
Assessment of Returns and Payment Processing	864,698	857,675	861,471
Accounts Receivable and Returns Compliance	662,994	669,185	667,119
Reporting Compliance	1,432,006	1,447,954	1,449,432
Appeals	165,346	169,281	171,359
Total Planned Spending—Tax Services	**3,490,789**	**3,512,686**	**3,515,063**

[1] The Planned Spending amounts in this table are net of Revenues Credited to the Vote and include the attribution to each program activity of the adjustments shown in Table 2 in Section III: Supplementary Information.

Overview

The CRA's approach to tax administration is to have taxpayers comply with their obligations without our intervention. Compliance with Canada's tax laws means fulfilling the following requirements:

- registering as required under the law in specific circumstances (for example, for the GST);
- filing returns on time;
- reporting complete and accurate information to determine tax liability; and
- paying all amounts when due.

This approach to administering Canada's tax laws relies on effective risk management to identify compliance risks and assess them for their potential effect on the revenue base. At the same time, we address these risks by delivering a number of services that help taxpayers calculate their taxes correctly. We facilitate this by providing information products and services which encourage participation and allow us to detect and address instances where correct reporting does not occur.

We continually review program results to confirm that they are achieving expectations and to optimize the utilization of resources. As well, part of our risk management approach is to maintain an audit presence across all industry sectors and types of taxpayers. We believe this approach helps promote voluntary compliance and deter non-compliance by increasing the credibility and visibility of our compliance programs.

Measuring Results Against Our Tax Services Strategic Outcome

We use our Compliance Measurement Framework to monitor and measure compliance and evaluate and refine our approaches to addressing non-compliance. Using data from internal and external sources as a baseline of compliance information, we monitor compliance with a set of macro indicators, as well as indicators for the following segments of the Canadian taxpayer population:

- individuals;
- corporations;
- GST/HST registrants;
- employers; and
- charities.

Measures	Indicators	Target
Registration compliance	• Canadian businesses that were registered for the GST/HST.	• 90%
Reporting compliance	Macro indicators: • Comparison of corporate income tax assessed by the CRA relative to corporate profits before tax estimated by Statistics Canada • Comparison of net income of unincorporated businesses reported to the CRA relative to net income of unincorporated businesses estimated by Statistics Canada National Accounts • Comparison of net GST revenues relative to total sales, personal expenditures on goods and services, and total provincial sales tax revenues • Comparison of personal income reported to the CRA relative to personal income estimated by Statistics Canada	• All track favourably
	Key compliance rate estimates: • Compliance rate estimates for key tax credits and deductions not subject to third-party reporting • Rates of compliance by small- and medium-sized corporations (subject to availability of estimates from our Core Audit Program) • Rates of compliance by registered charities (beginning 2009-2010)	• All track favourably
Filing compliance	• Percentage of individuals who file for the tax year during the fiscal year as compared to the total number of individuals 18 years of age and over in Canada estimated by Statistics Canada:	• TBD
	• Taxable incorporated businesses that filed their returns on time	• 90%
	• Businesses that filed their GST/HST returns on time	• 90%
	• Percentage of employers that file their T4 returns for the tax year during the fiscal year as compared with the total number of active employer accounts in our database	• TBD
	• Percentage of registered charities that file their T3010 returns for their fiscal year as compared to the total number of active registered charities in our database	• 95%
Remittance compliance	Reported taxes and source deductions are paid on time by: • Individuals • Taxable corporations • Businesses that collected GST/HST[1] • Employers for source deductions	• All 90%
	Ratio of outstanding tax debt to gross cash receipts is within targeted levels	• Stable trend

[1] Businesses based in Quebec register with the ministère du Revenu du Quebec, which administers GST on behalf of the CRA and remits the net amount due to the CRA.

Benefit Programs

Eligible families and individuals receive timely and correct benefit payments

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending[1]	384,414	390,803	399,213

[1] The Planned Spending amounts in this table are net of Revenues Credited to the Vote and include the attribution to each program activity of the adjustments shown in Table 2 in Section III: Supplementary Information.

Overview

Income security is essential to the economic and social well-being of Canadians. By providing benefits, credits, and other related services, the CRA supports the efforts of governments to assist families and children, low- and moderate-income households, and persons with disabilities.

Our flexibilities as an agency and the adaptability of our systems enable us to leverage the delivery infrastructure we have in place for federal programs to also administer a range of ongoing and one-time programs on behalf of the provinces, territories, and other government departments. These aspects also enable us to provide information, as authorized by law, to support the programs that these clients administer themselves.

Our focus is to ensure that eligible Canadians access the benefits and credits to which they are entitled, and that they meet their obligations so that they can receive timely and correct payments—no less and no more. We believe that families and individuals will access programs and comply with their benefits-related obligations when they are informed about them and clearly understand what they need to do to meet eligibility requirements and receive their entitlements.

Measuring Results Against Our Benefit Programs Strategic Outcome

The indicators that we use to measure results focus on the following:

- the extent to which recipients apply for benefit programs;
- the extent to which recipients meet their continuing obligation to provide us with up-to-date eligibility and account information (which is important in ensuring that payments are correct and overpayments are minimized);
- the timeliness of the payments; and
- the attractiveness of our program and service delivery infrastructure to federal, provincial, and territorial clients.

Measures	Indicators	Target
Establishing eligibility for benefits	Percentage of potentially entitled recipients who receive the CCTB (reported after each census)	95%
Correct benefit payments	Percentage of CCTB recipients who provide complete and accurate information and receive the proper entitlement	95% or more
	CCTB overpayment debt as a percentage of payments issued	Less than 0.4%
Timely benefit payments	Percentage of payments received by benefit recipients on time	99%
The CRA is the provider of choice	Number of benefit programs and services administered	Growth, where feasible

A Workplace Committed to Excellence

The full potential of the CRA's commitment to excellence in program delivery can be realized only within a workplace culture that is committed to excellence. Building a modern, progressive human resources regime has been key to our success as an agency. Sustained successful delivery of our core business depends on the approximately 44,000 people who work for the CRA.

It is critical that we maintain a strong culture of creativity, innovation, pride, and openness that offers employees opportunities and interesting work, while ensuring that our workforce reflects the diversity of the Canadian population. Over the planning period, we will focus on encouraging innovative work practices and promoting a culture of achievement. We will ensure a work environment that respects diversity and our core values of professionalism, co-operation, respect, and integrity.

> Our goal is to have the right people in the right place at the right time with the appropriate skills, knowledge, and motivation to do the job.

The CRA is responsible for its own human resources regime and, since becoming an agency, we have continued to revise our human resources policies, systems, and infrastructure to more effectively support the achievement of our business results.

We will develop and implement human resources planning that is fully integrated with business planning

The CRA's human resources agenda aligns well with the Public Service Renewal initiative. Workforce demographic shifts caused by an aging workforce and talent management issues are shared challenges. Over the planning period, we will continue to be a leader in Public Service human resources management practices and will put in place an integrated human resources plan that ensures that we have the right people in the right place at the right time with the appropriate skills, knowledge, and motivation to achieve excellence. We will more fully integrate our workforce planning processes with business planning to identify key human resources challenges. We will work to ensure that our workforce is sustainable and that any potential capacity risks are identified and dealt with effectively.

As a critical first step, we will develop a comprehensive understanding of the human resources risks and challenges we face as an organization and the competencies required to further our business objectives. Following sound talent management principles, we will ensure that we mitigate human resources capacity or capability risks and have the processes in place to systematically close the gaps between the talent we have and the talent we require to successfully respond to current and future business needs.

We will recruit strategically

Refining how the CRA recruits, develops, manages, and retains its workforce will ensure that our human resources policies and practices continue to support service excellence to Canadians today and in the future. We will also analyze demographic and retirement trends to assist managers to recruit strategically. We will extend our current executive and management succession planning programs to include technical and all management jobs beginning in 2008.

To ensure that CRA remains a leader with respect to having a diverse workforce representative of the Canadian population, we will be proactive in our recruitment and development programs such as the CRA's Aboriginal Student Employment Program. We will strengthen the linkages with universities and colleges that produce business, audit, accounting, finance, and IT graduates. Bridging students into CRA positions will continue to be a priority, as will the targeted external recruitment of qualified individuals. Once hired, it is important that new employees be given the proper orientation and training to fit in quickly and become full contributors to CRA operations.

Standardized staffing processes accelerate hiring and make it more transparent. In support of this, we will implement the CRA's new electronic resourcing tool which includes the management of job notices, applications, online screenings, and offers.

We will complete the implementation of a staffing system based on Competency-Based Human Resources Management

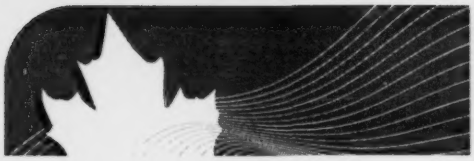
The staffing system in the CRA that is based on Competency-Based Human Resources Management (CBHRM) will ensure that we will have employees with the competencies necessary to demonstrate excellence in the delivery of tax and benefit programs. In addition, this regime will ensure that our employees will be evaluated, developed, and promoted based on the competencies that have been identified as critical to our success.

Acquiring the right people with the right competencies through strategic, timely, and efficient processes is critical to the CRA's continued success. It is our aim to continue to attract and retain the best available human resources and give them the tools and training they need to be successful. To this end, we will develop strategies to attract young talent and promote careers in the federal public service by providing valuable training and development opportunities, pay and benefits that are competitive, flexible work schedules, and respect for employees' personal and family needs. We will strive to be an attractive place for new graduates to develop rewarding careers and continue to use a variety of recruitment programs to attract well-qualified candidates to the CRA.

We will finalize our new human resources service delivery model

Our human resources service delivery model will allow us to streamline our HR operations to provide an integrated process that will support business managers in their human resources responsibilities, and employees in the management of their career in the CRA. This model will also include performance measurement of key human resources indicators.

We believe these strategies address the need for the CRA to adapt to the realities of a knowledge-based economy—where competition for skilled resources is intense—and to grow by building a workplace that attracts top quality talent.



Section II: Analysis of Program Activities by Strategic Outcome

Overview

Our Program Activity Architecture identifies our program activities (PAs) and demonstrates how they link to our strategic outcomes (see page 7). This framework is based on the Management, Resources and Results Structure (MRRS), established by the Treasury Board of Canada Secretariat on April 1, 2005, which provides a structure for organizing, integrating, and presenting plans, budgets, and performance measures.

Program activities are groups of related activities that are designed and managed to meet a specific public need and often treated as a budgetary unit. Each program activity is articulated at a sufficient level of materiality to reflect how we allocate and manage our resources in order to achieve intended results. The CRA has seven distinct program activities.

The following sections are organized according to these seven program activities:

- **Taxpayer and Business Assistance** (PA1), which assists taxpayers in meeting their obligations under Canada's self-assessment system.
- **Assessment of Returns and Payment Processing** (PA2), which processes and validates taxpayer returns; registers, establishes, and maintains taxpayer accounts; and receives payments.
- **Accounts Receivable and Returns Compliance** (PA3), which identifies and addresses non-compliance with taxpayer filing and remittance requirements, and manages tax debt.
- **Reporting Compliance** (PA4), which verifies the complete and accurate disclosure by taxpayers of all required information to establish their tax liabilities and protects the revenue base through audit and enforcement activities.
- **Appeals** (PA5), which provides a timely and impartial dispute resolution process for taxpayers who disagree with decisions made by the CRA.
- **Benefit Programs** (PA6), which provides Canadians with income-based benefits and other services that contribute directly to their economic and social well-being.
- **Corporate Services** (PA7), covers infrastructure activities (e.g. information technology, financial management, and human resources administration) where enhancements support both excellence in program delivery and a workplace committed to excellence.

For each program activity, we present an overview of the program, planned spending, the program strategies to advance the program, and the priority initiatives for the planning period. As with the previous year's report, corporate services planned spending has been proportionately allocated among the six core tax and benefit programs activities.

Each section includes a table of measures that are deliverables for the planning period, as well as performance indicators and targets that quantify the program activity's expected results. These targets identify the percentage or degree of expected attainment of a performance level. Targets are established by program managers through analysis of operational realities and infrastructure, historical performance, the complexity of the work involved, and the expectations of Canadians.

Taxpayer and Business Assistance (PA1)

Program Overview

The Taxpayer and Business Assistance program activity is responsible for providing tools, assistance, and information that facilitate voluntary compliance with tax obligations. We undertake this work through several Call Centres and 48 Tax Services Offices (including the International Tax Services Office). We also supply taxpayers, businesses, and registrants with rulings on legislative policy and procedural entitlements and obligations in accordance with relevant federal and provincial/territorial legislation.

This program activity is divided into two sub-activities:

Enquiries and Information Services assists individuals and businesses in meeting their obligations under tax legislation by providing information, products, education and outreach services, and by responding to enquiries.

Legislative Policy and Regulatory Affairs assists taxpayers in meeting their obligations by providing income and commodity tax rulings and interpretations; Canada Pension Plan and *Employment Insurance Act* rulings; services relating to the registration and audit of pensions, other deferred income plans and charities; by administering duty programs for certain commodities and certain provisions of the softwood lumber agreement.

Enquiries and Information Services and Legislative Policy and Regulatory Affairs are distinct sub-activities, and are discussed separately under this program activity.

Program Resources

Financial Resources

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending	365,745	368,591	365,682

Human Resources (FTE)

(full-time equivalents)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
	4,353	4,385	4,321

Measures—Taxpayer and Business Assistance

Expected Result – Taxpayers, businesses, and registrants have access to timely and accurate information

Timely Information

Our Indicators	Current Target
Key service standards (refer to service standards for PA1 in Appendix C)	Various
Percentage of CPP/EI rulings issued within targeted timeframes	85%
Percentage of responses to simple applications for charitable registration (two months) and to complex applications (six months) within targeted timeframes	80%
Percentage of information products provided in print and on the Web site on time	100%
Percentage of registered plans applications reviewed within established timeframes	85%
Percentage of charities applications thoroughly reviewed and responded to within established timeframes	80%

Accurate Information

Our Indicators	Current Target
Accuracy of communications	N/A
Percentage of accurately updated internal reference materials for Taxpayer Services and Charities agents	100%
Partner with various stakeholders, including industry representatives, to ensure that information is targeted to taxpayers' needs	N/A

Accessible Information

Our Indicators	Current Target
General callers, business callers, and charities callers that reach our telephone service	90%
Enhancement of our alternative information sources	N/A

Expected Result – Non-compliance is detected and addressed

Our Indicators	Current Target
Percentage of excise regulatory reviews and activities, charities, registered plans and commodity audits and activities completed compared to planned	90%
Percentage of registered plan audits completed compared to planned	100%
Percentage of registered charities audits completed compared to planned	100%

Program Strategies—Enquiries and Information Services

By providing information products and answering enquiries, we encourage taxpayers to meet their obligations. To achieve excellence in program delivery, our program strategies focus on strengthening service.

Strengthening Service

We will continue to pursue excellence in program delivery to protect Canada's revenue base by building on our position as an innovative service leader.

We will make our services easier to use

The CRA continues to focus on improving the quality of our services to make them simpler and easier to use to encourage and facilitate participation in the Canadian tax system, and thus facilitate compliance.

As part of our strategy for service enhancement, we will continue to realign our service and information options based on an approach centred on individuals or businesses. We will offer tools and information tailored to their needs and based on their feedback, analysis, and research results. We will also address changing demographics, economic trends, and national and local compliance issues through outreach programs that are fine-tuned to meet the particular needs of specific taxpayer or business groups, such as seniors, new Canadians, existing ethno-cultural communities, students, and small- and medium-sized enterprises. In addition, recent CRA annual surveys have shown slight declines in the level of Canadians' satisfaction with our telephone services; consequently, we are undertaking internal reallocations to enhance these services.

We will increase online and self-service tools

As well, we will improve enquiries and information services and products through the CRA's service channel strategy, which will reduce reliance on printed media and telephone support and increase use of our online resources. To help us improve the Web as a service channel, we will continue to employ usability testing and conduct a user-survey of our Smartlinks service so that we better understand how clients access our information. In addition, we support

electronic service delivery programs, such as NETFILE and TELEFILE, through the e-Services Helpdesk.

We intend to further develop Smartlinks, which is unique to the CRA Web site, to allow users greater telephone access to tax matter experts. We are also implementing a facility to allow the information we have developed and published to be used across different service channels. In addition, continuous efforts are made to ensure the timeliness of content on the Web site and in paper publications.

We will foster a dynamic and flexible workforce with strategies that respond in a taxpayer- or business-centered manner to changing and increasingly complex enquiries and concerns. In addition to having an enhanced ability to respond to more complex issues, CRA agents will be provided with interactive e-learning and online integrated reference tools. We will also continue to improve our focus on quality by developing a new quality assurance regime.

Where it makes sense, the CRA will pursue partnerships with other service organizations at the federal, provincial, territorial, and First Nations levels, providing more integrated services to Canadians. In so doing, we will strengthen and enhance our technology/infrastructure across channels, which will support an integrated, taxpayer- or business-centred service approach and give us more flexibility to link to other organizations, programs, and levels of government, providing services on their behalf.

We will ensure the consistency, timeliness, and accuracy of the information we provide. To do so, we will ensure all products and services are up to date with relevant changes to policies, procedures, and legislation, and to support the implementation of a content management system. In addition, we will conduct usability testing to ensure that products and services, including related Web content, are tailored to meet user needs. Finally, we will enhance taxpayer service on the Internet through enquiry demand analyses and improved linkages between the CRA and individuals, as well as providing linkages to information held by other organizations.

Specific program priorities we will pursue over the planning period, in furtherance of our program strategies to enhance service delivery, are listed in the table below.

Priority Initiatives—Enquiries and Information Services

Program Priorities	Deliverables	Dates
• Continue to expand channel convergence	• Implement additional Smartlinks	• 2008-2009
• Enhance targeting and customization of outreach programs	• Target changing demographics and economic trends, and address national and local compliance issues	• 2008-2009
• Increase partnerships and innovate in delivering services	• Continue to deliver a taxpayer service infrastructure to the Corporate Tax Administration for Ontario initiative	• 2009-2010
• Continue to improve timeliness of information products provided	• Ensure that information products are provided on time, in print and on the Web site, as per work plans	• 2008-2009
• Continue to improve quality of information services provided	• Develop a new national quality and accuracy learning program	• 2008-2009
	• Ensure internal reference materials are accurately updated	• 2008-2009

Program Strategies—Legislative Policy and Regulatory Affairs

By engaging in education and outreach programs, responding to enquiries, providing rulings and interpretations, registering plans and charities, and administering duty programs for certain commodities, we encourage compliance in terms of filing and reporting obligations thereby helping to protect Canada's revenue base. Over the planning period, we will achieve excellence in program delivery both through strengthening service and addressing non-compliance.

Strengthening Service

In accordance with the agreement with the Government of Ontario, we will pursue the full integration of the Ontario rulings function as part of the Corporate Tax Administration for Ontario initiative to harmonize the federal and Ontario corporate tax bases. We will also work to improve our performance in issuing income tax rulings within an average of 60 days.

We will increase electronic service offerings

In an effort to modernize and strengthen the charities program, we will enhance our electronic service offerings and access to program information via the Internet, starting with a new section for donors. To improve the overall regulatory environment, we also intend to enhance our collaboration with provincial and territorial governments.

As part of our strategy to further enhance service delivery, we will continue to upgrade our toll-free enquiries line for registered plans, making more information available electronically on our Web site, and improving our outreach activities and electronic publications. The Canada Pension Plan/Employment Insurance rulings process will be modernized to include converting requests for CPP/EI rulings to electronic format.

Enhancing our Efforts to Address Non-Compliance

We are committed to increasing compliance in all areas of tax regulation and strengthening our core business of protecting Canada's revenue base by providing strong taxpayer assistance.

We will enhance our Excise programs

We deal with the challenges of non-compliance by working to continuously enhance the effectiveness of our Excise programs. We will continue to apply a high frequency of audit and regulatory reviews (compliance visits) to tobacco manufacturers in accordance with the Tobacco Compliance Strategy. We will also implement the enhanced tobacco stamp component of the Tobacco Compliance Strategy and implement the third stage of the Tobacco Grower's Outreach program.

For deferred income plans, we will streamline the registration process using a risk-based approach and increase the audit coverage through random and targeted audits. For charities, we will continue the smooth implementation of a graduated approach to administering the new sanctions regime.

We will focus our efforts on inter-provincial tax avoidance to address the techniques used by corporations to shift income between provinces and territories.

We will also continue to implement the *Charities Registration (Security Information) Act*, which supports Canada's national security agenda and international obligations to counter terrorism.

Specific program priorities we will pursue over the planning period, in furtherance of our program strategies to enhance service delivery and our efforts to address non-compliance, are listed in the table below.

Priority Initiatives—Legislative Policy and Regulatory Affairs

Program Priorities	Deliverables	Dates
• Modernize and strengthen the charities program	• Develop electronic capabilities to enhance filing of charities information returns	• 2009-2010
• Modernize and improve the CPP/EI rulings program	• Convert requests for rulings from paper to electronic format	• 2009-2010
	• Develop and improve outreach information on the rulings program	• 2008-2009
• Continue the implementation of a risk-based approach to registered plans	• Implement the registration services for the new registered disability savings plans	• 2008-2009
	• Improve monitoring of the registered plans industry by using an enhanced audit and review function and increasing the audit coverage for registered plans	• 2008-2009
• Fully implement the *Softwood Lumber Products Export Charge Act, 2006* legislation	• Work with the exporters of softwood lumber products to promote continual compliance by establishing a post-verification program	• 2008-2009
• Implement a new tobacco product stamping regime with covert and overt security features	• Availability of enhanced stamps for tobacco manufacturers	• 2008-2009
	• Enhanced ability to detect counterfeit stamps	• 2008-2009
• Corporate Tax Administration for Ontario initiative	• Full integration of the Ontario Rulings functions	• 2008-2009
	• Harmonize federal and Ontario corporate tax bases	• 2008-2009
	• Creation of transitional legislative rules that will apply to corporate taxpayers until 2014	• 2009-2010
• Income trusts	• Issuance of Income Tax Technical News publications	• 2008-2009
• Inter-provincial tax avoidance	• Position papers for CRA auditors, appeals officers, and private practitioners	• 2009-2010

Assessment of Returns and Payment Processing (PA2)

Program Overview

The Assessment of Returns and Payment Processing program activity encompasses a range of activities to accurately, efficiently, and effectively process individual and business tax returns and payments.

Major functions include risk assessment, third-party data matching, and dependable information validation processes. As well, every known business in Canada is registered through this activity area (except those for which registration is not required by law). The key sub-activities are as follows:

Our **Individual Returns Processing** sub-activity deals with processing T1 Income Tax and Benefit Returns and T3 Trust Income Tax and Information Returns for tax programs, through initial assessment, pre-and post-assessment validation review (T1 returns), accounting, adjustments, and general correspondence.

The **Business Returns Processing** sub-activity registers businesses in Canada using the Business Number; processes, assesses and validates information filed through T2 (corporation income tax), T4 (employer), T5 (interest income) and GST/HST returns. Additionally, it establishes and maintains account status; carries out excise programs; and processes all payments.

This program activity also administers both the memorandum of understanding with the ministère du Revenu du Québec (Revenu Québec) and payments to Revenu Québec for GST Administration in Quebec.

Program Resources

Financial Resources

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending	864,698	857,675	861,471

Human Resources (FTE)

(full-time equivalents)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
	8,868	8,775	8,762

Measures—Assessment of Returns and Payment Processing

Expected Result – Assessment and payment processing are timely and accurate

Timely Processing

Our Indicators	Current Target
Key service standards (refer to service standards for PA2 in Appendix C)	Various
Statements of interim payments mailed out on time	95%
Percentage of payments by individuals and businesses to the Receiver General deposited within 24 hours of receipt	96%
Percentage of Business Number registrations processed within 10 working days	95%
Trend in the rate of electronic filing for individuals, eligible corporations, T4, and GST/HST returns	Upward

Priority Initiatives—Legislative Policy and Regulatory Affairs

Program Priorities	Deliverables	Dates
• Modernize and strengthen the charities program	• Develop electronic capabilities to enhance filing of charities information returns	• 2009-2010
• Modernize and improve the CPP/EI rulings program	• Convert requests for rulings from paper to electronic format	• 2009-2010
	• Develop and improve outreach information on the rulings program	• 2008-2009
• Continue the implementation of a risk-based approach to registered plans	• Implement the registration services for the new registered disability savings plans	• 2008-2009
	• Improve monitoring of the registered plans industry by using an enhanced audit and review function and increasing the audit coverage for registered plans	• 2008-2009
• Fully implement the *Softwood Lumber Products Export Charge Act, 2006* legislation	• Work with the exporters of softwood lumber products to promote continual compliance by establishing a post-verification program	• 2008-2009
• Implement a new tobacco product stamping regime with covert and overt security features	• Availability of enhanced stamps for tobacco manufacturers	• 2008-2009
	• Enhanced ability to detect counterfeit stamps	• 2008-2009
• Corporate Tax Administration for Ontario initiative	• Full integration of the Ontario Rulings functions	• 2008-2009
	• Harmonize federal and Ontario corporate tax bases	• 2008-2009
	• Creation of transitional legislative rules that will apply to corporate taxpayers until 2014	• 2009-2010
• Income trusts	• Issuance of Income Tax Technical News publications	• 2008-2009
• Inter-provincial tax avoidance	• Position papers for CRA auditors, appeals officers, and private practitioners	• 2009-2010

Assessment of Returns and Payment Processing (PA2)

Program Overview

The Assessment of Returns and Payment Processing program activity encompasses a range of activities to accurately, efficiently, and effectively process individual and business tax returns and payments.

Major functions include risk assessment, third-party data matching, and dependable information validation processes. As well, every known business in Canada is registered through this activity area (except those for which registration is not required by law). The key sub-activities are as follows:

Our **Individual Returns Processing** sub-activity deals with processing T1 Income Tax and Benefit Returns and T3 Trust Income Tax and Information Returns for tax programs, through initial assessment, pre-and post-assessment validation review (T1 returns), accounting, adjustments, and general correspondence.

The **Business Returns Processing** sub-activity registers businesses in Canada using the Business Number; processes, assesses and validates information filed through T2 (corporation income tax), T4 (employer), T5 (interest income) and GST/HST returns. Additionally, it establishes and maintains account status; carries out excise programs; and processes all payments.

This program activity also administers both the memorandum of understanding with the ministère du Revenu du Québec (Revenu Québec) and payments to Revenu Québec for GST Administration in Quebec.

Program Resources

Financial Resources

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending	864,698	857,675	861,471

Human Resources (FTE)

(full-time equivalents)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
	8,868	8,775	8,762

Measures—Assessment of Returns and Payment Processing

Expected Result – Assessment and payment processing are timely and accurate

Timely Processing

Our Indicators	Current Target
Key service standards (refer to service standards for PA2 in Appendix C)	Various
Statements of interim payments mailed out on time	95%
Percentage of payments by individuals and businesses to the Receiver General deposited within 24 hours of receipt	96%
Percentage of Business Number registrations processed within 10 working days	95%
Trend in the rate of electronic filing for individuals, eligible corporations, T4, and GST/HST returns	Upward

Accurate Processing

Our Indicator	Current Target
Percentage of T1 returns and adjustments assessed accurately	Various

Expected Result – Non-compliance is detected and addressed

Detecting and Addressing Non-Compliance

Our Indicators	Current Target
Ratio of dollar value of targeted versus random reviews	N/A
Ratio of dollars assessed through targeted reviews versus total revenue at risk for target population	N/A

Program Strategies

We believe that providing taxpayers with increased convenience and accessibility through electronic filing and payment encourages their voluntary compliance and helps them comply with their tax obligations thereby ensuring that Canada's revenue base is protected. Over the planning period, our focus will be on both strengthening service and addressing non-compliance.

Strengthening Service

We have been significantly changing the way we deliver our programs during the past several years. Taxpayer needs and changes in the environment are the chief considerations in our commitment to achieving excellence in program delivery by improving the accessibility and efficiency of our programs and services.

We will expand our electronic service offerings

We will continue to pursue excellence in program delivery by encouraging wider use of electronic filing and expanding our electronic service offerings and by redeveloping and modernizing our core information processing systems.

Specifically, we will provide enhanced services to increase accessibility and efficiency, for example, by enhancing My Account for individuals and filing GST/HST debit returns through My Business Account. We will also continue to provide expanded service to the representative community via the Represent a client service by enhancing the service and increasing take-up rates.

The CRA will implement upcoming phases of the redeveloped GST/HST systems to modernize the delivery of the program and capitalize on opportunities to improve service to taxpayers.

We will work with Ontario to begin the implementation of the Business Number as the file identifier for businesses and complete the development of business requirements for the delivery of the Corporate Tax Administration for Ontario initiative over the planning period.

The CRA will implement all required federal, provincial, and territorial legislative changes, giving effect to the governments' tax agendas and promoting efficiency in delivery.

We will reduce the burden on small businesses

The CRA will implement the initiatives of the Action Task Force on Small Business Issues planned for April 2008 and beyond, imposing the least burden possible on small businesses while gathering the information necessary to confirm compliance with tax-related regulations.

Enhancing our Efforts to Address Non-Compliance

Effective processes to identify non-compliance are essential for ensuring that individuals pay their required taxes. Our strategies are designed to make administration of the tax system more equitable;

recover more revenue for federal, provincial, and territorial governments; and impose less burden on compliant taxpayers. For example, our redeveloped GST/HST systems will enable us to improve compliance and decrease the risk of fraud. Improved data collection will allow us to enhance risk assessment and workload management, as will better client profiling with an integrated view of client accounts. The new system will also facilitate debt recovery across revenue lines through automated offsets and enable us to deny GST/HST refunds to taxpayers who fail to comply with requests for supporting documentation or to file income tax returns.

Specific program priorities we will pursue over the planning period, in furtherance of our program strategies to enhance service delivery and our efforts to address non-compliance, are listed in the table below.

Priority Initiatives—Assessment of Returns and Payment Processing

Program Priorities	Deliverables	Dates
• Provide enhanced Internet services	• Enhance My Business Account	• 2008-2009
	• Enhance take-up rate of Represent a client service	• 2008-2009
	• Continue to enhance and expand My Account for Individuals	• 2008-2009
• Implement the redeveloped GST/HST systems and return	• Include in My Business Account	• 2008-2009
	• Automate joint filing and special offset mechanism processes	• 2008-2009
	• Implement government rebates and Foreign Convention and Tour Incentive Program	• 2008-2009
	• Maximize the use of the redeveloped GST/HST systems and improve data collection to improve compliance and decrease the risk of fraud	• 2010-2011
	• Introduce a new GST/HST information schedule for financial institutions	• 2008-2009
• Implement the Corporate Tax Administration for Ontario initiative	• Process Ontario corporate tax returns	• 2009-2010
• Implement ongoing legislative changes	Implement all required federal, provincial, and territorial legislative changes, including the following:	
	• changes to the taxation of income trusts	• 2010-2011
	• multi-year reductions to the small business tax rate	• 2008-2009
	• changes to corporate tax rates and elimination of the corporate surtax	• 2010-2011
• Implement initiatives of the Action Task Force on Small Business Issues	• Implement recommendations to reduce the compliance and paperwork burden, both time and cost, on small business	• 2008-2009

Accounts Receivable and Returns Compliance (PA3)

Program Overview

Our Accounts Receivable and Returns Compliance program activity ensures compliance with tax laws for filing, withholding, and payment requirements, including amounts collected or withheld in trust on behalf of the Government of Canada, as well as provinces, territories, and certain First Nations.

Our **Accounts Receivable** sub-activity is responsible for the timely collection of overdue accounts for all taxes, levies, duties, and other amounts, and assures effective tax debt management. This sub-activity also deals with the collection for other departments of non-tax debts related to overpaid CPP and EI benefits, the collection of defaulted student loans, and other Human Resources and Social Development Canada programs.

In our **Trust Accounts** sub-activity, the Non-filer/Non-registrant program pursues unfiled personal and corporate income tax returns, as well as the registration of businesses that have not registered for the GST/HST as required. Our Employer/Payroll and GST/HST non-compliance program carries out activities related to filing returns and remitting payroll source deductions (encompassing taxes and CPP/EI premiums) and GST/HST returns.

Program Resources

Financial Resources

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending	662,994	669,185	667,119

Human Resources (FTE)

(full-time equivalents)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
	9,548	9,551	9,571

Measures—Accounts Receivable and Returns Compliance

Expected Result – Tax and non-tax debt are resolved on a timely basis and are within targeted levels

Timely Resolution of Tax Debt

Our Indicator	Current Target
Percentage of Tax Services Office (TSO) fiscal year intake of new accounts receivable resolved within the fiscal year of intake	60%

Tax and Non-Tax Debt Are Within Targeted Levels

Our Indicators	Current Target
Ratio of total accounts receivable dollars resolved at the TSOs in the fiscal year to the dollar value of new accounts receivable (intake) received at the TSO in the fiscal year	90%
Dollar value of TSO accounts receivable greater than five years old at the end of the fiscal year	$2.5 billion
Dollar amount of cash collected at the TSO during the fiscal year	$8.9 billion
Dollar amount of accounts receivable resolved at the TSO in the fiscal year	$10.5 billion
Percentage of cash collected at the TSOs to the planned cash collected at the TSOs	100%
Non-tax debt – Dollars collected:	
– EI overpayments	$288 million
– Defaulted Canada Student Loans	$214.3 million
– CPP Overpayments	$8.3 million
– Other HRSDC programs	$79.9 million

Expected Result – Non-compliance is detected and addressed

Our Indicators	Current Target
The percentage of returns, summaries, and remittances identified as outstanding that were obtained through our intervention	Various
Trend in the number of businesses identified as required to register for GST/HST and subsequently registered as a result of our intervention	New

Program Strategies

The Accounts Receivable and Returns Compliance program activity supports the achievement of the CRA's strategic outcome by ensuring that taxpayers pay their total tax debt. We will continue to reinforce our processes and enforcement approaches aimed at addressing non-compliance and maximizing tax debt collections. In so doing, we will strengthen our core business of protecting Canada's revenue base.

Enhancing our Efforts to Address Non-Compliance

Maximizing tax debt collections continues to be a key priority for CRA. We recognize that non-compliance does occur, and we address this is by working hard to manage the growth in the accounts receivable inventory.

We will maximize tax debt collections

We will maintain our core business of maximizing tax debt collections by exceeding our target for cash collections and resolving new arrears on a timely basis. The reduction of the level of aged inventory will be another one of our goals. We will implement an insolvency strategy that will improve the collectability of the debt portfolio. By using the resources available in the National Collections Call Centre, the annual instalment and minor balance campaigns will run. The creation of national inventories for new accounts and workloads will continue. In support of progressive integration and working with our partners, we will pursue the creation of specialized work teams and centres of expertise for the Aggressive International Tax Planning complex workload.

We want to strengthen the CRA's position as an attractive and effective service provider by implementing our business transformation technologies and processes.

We will adopt a taxpayer/debtor-centred approach

Using the Integrated Revenue Collections platform as the fundamental tool on this path, we will continue towards the adoption of an integrated taxpayer/debtor-centred approach aimed at modernizing our procedures towards collections.

We will also be adopting new technologies to enhance strong core performance, and to allow for improved analytical capacity and associated risk-based approaches.

Specific program priorities we will pursue over the planning period, in furtherance of our program strategies to enhance our efforts to address non-compliance, are listed in the table below.

Priority Initiatives—Accounts Receivable and Returns Compliance

Program Priorities	Deliverables	Dates
• Implement business transformation technologies	• Roll out Integrated Revenue Collections Release 2, including front-end risk based strategies for individual income tax programs	• 2009-2010
	• Progressively roll out Integrated Revenue Collections for business-based tax programs	• 2011-2012
	• Development of a new technology solution for non-tax receivables	• 2012-2014
• Implement business transformation processes	• Develop an integrated taxpayer-centred approach aimed at modernizing processes and facilitating the integration of tax and non-tax debt workloads	• 2008-2009
	• Implement the National 2010 Collections Program Delivery Model, including non-tax lines of business	• 2010-2011
• Pursue sustainable business growth and partnerships	• Begin collection of receivables arising from the Corporate Tax Administration for Ontario initiative	• 2009-2010

Reporting Compliance (PA4)

Program Overview

The Reporting Compliance program activity addresses the accuracy and completeness with which taxpayers report their tax liability. It covers a range of audit and enforcement sub-activities. Major functions include examinations, reviews, audits, and investigations to ensure compliance with federal, provincial, and territorial income tax and GST/HST laws.

The Reporting Compliance program activity conducts more than 386,000 compliance actions every year and refers over 200 investigations to the Public Prosecution Service of Canada.

The key sub-activities are:

Audit deals with individual audits, business audits, international tax, and tax avoidance. This is the core of our audit activities, where the majority of the Reporting Compliance resources are invested. We also conduct special audits of charities and registered pension plans.

Our **investigations** sub-activity investigates suspected cases of tax evasion and fraud, pursues criminal prosecutions, and publicizes convictions of tax law offenders to deter others. In addition, our Special Enforcement Program helps combat organized crime by conducting audits of those who are known or suspected of gaining income from illegal activities.

The Reporting Compliance program activity is also responsible for administering the **Voluntary Disclosures Program**. The program encourages taxpayers to come forward and correct past omissions to comply with their legal obligations relating to taxation.

Our **Scientific Research and Experimental Development** (SR&ED) sub-activity is a federal tax incentive program that encourages Canadian businesses to conduct research and development in Canada. Annually, the SR&ED tax incentive program provides over $3 billion of tax credits to over 18,000 claimants.

Other functions include research and analysis of reporting compliance behaviour and trends, as well as the identification and assessment of tax compliance risk. These activities, and other tools we develop, contribute to the CRA's understanding of compliance challenges and how best to address them.

Program Resources

Financial Resources

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending	1,432,006	1,447,954	1,449,432

Human Resources (FTE)

(full-time equivalents)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
	14,335	14,376	14,307

Measures—Reporting Compliance

Expected Result – Processing is timely and accurate	
Our Indicator	**Current Target**
Key service standards (refer to service standards for PA4 in Appendix C)	Various

Expected Result – Non-compliance is detected and addressed	
Our Indicators	**Current Target**
Percentage of the major reporting compliance workloads completed, compared to planned (Completion Rate)	100%
Voluntary Disclosures Program – cases validated by Quality Assurance reviews	90%

Effective assessment of risk and detection

Our Indicator	Current Target
Percentage of risk-assessed activities resulting in the detection of non-compliance (Change Rate)	Upward trend

Program Strategies

The vast majority of taxpayers comply with tax laws when provided with the proper information, tools, and assistance. When they do not, the CRA's strategy is to identify and address the most serious reporting non-compliance issues and cases, take appropriate action, and deter future non-compliance. To this end, we review all returns, continually refine our understanding of non-compliant taxpayer behaviour, improve risk management and targeting techniques, and sharpen the focus of our audit and investigation resources.

In addressing reporting compliance strategies, we will seek to achieve operational excellence by focusing on the following.

Strengthening Service

Businesses that operate in multiple provinces and territories will often have tax payable to more than one jurisdiction, which all have various tax rates. As a service to provincial and territorial governments, we are enhancing programs that address interprovincial tax avoidance and provincial income allocation. This will help ensure an accurate calculation and an appropriate transfer of tax payments to our client governments.

We will harmonize audits for Ontario corporations

Under the Corporate Tax Administration for Ontario initiative, we will integrate all audit activities for federal and Ontario corporate income tax accounts. These integrated audits will decrease the administrative burden for Ontario corporations by over $100 million and result in lower compliance costs for taxpayers and greater efficiency in tax administration in advance of full harmonization in 2009.

We are enhancing the Scientific Research and Experimental Development Tax Incentive Program

The CRA plays an important role in administering certain federal, provincial, and territorial tax credit programs. In the 2007 Federal Budget, the Minister of Finance announced a review of the SR&ED tax incentive program with the view to improving the program, including its administration, to further encourage research and development within the business sector in Canada.

CRA will assess the feedback received during this joint Department of Finance-Canada Revenue Agency consultation on improving and responding to the government's direction and changes to the program when they are announced.

Enhancing our Efforts to Address Non-Compliance

When the CRA undertook a comprehensive agency-wide review of the risks facing tax administration in Canada in 2004, it identified aggressive tax planning, the underground economy, GST/HST compliance, non-filers/non-registrants, and collections as areas requiring our focus. Over the planning period, we will continue to review the risk elements relating to our current compliance priorities and identify emerging compliance risks.

We will address arrangements for international business transactions, international tax avoidance activities, and the use of tax shelters

Canadians must pay taxes on income earned outside Canada, but some taxpayers conceal income offshore. Additional funding announced in the 2007 Federal Budget has been provided to address this concern. A portion of this funding was allocated to increase our ability to deal with high-risk cases involving international tax avoidance, addressing concerns such as treaty abuse, determination of residency, and abuse of the law in the international context. As a result of the additional high-risk cases completed, we expect substantial returns and significant case precedents to clarify the scope of Canadian tax law at the international level.

The International Audit program also used some of the new funding to hire more senior international auditors to work on complex transfer pricing audits. We expect the number of cases completed and recoveries made in 2008-2009 to continue to increase over the next few years as the auditors gain experience.

From 2003 to 2006, the CRA saw a significant increase in tax shelter investments. For 2008-2009, a portion of this new funding has been allocated to address tax shelter cases and we expect an increase in the number of audits completed.

We will work to combat the underground economy and reduce high-risk GST/HST compliance issues

We are persevering in our work to combat the underground economy and address high-risk GST/HST compliance issues. We are conducting an analysis of the results of pilot projects begun in 2005-2006 that will enable us to form effective compliance strategies to deal with these matters.

The volume of commercial activity associated with the Internet grows each year, and this increases the potential for new compliance risks. To meet the emerging challenges in addressing reporting compliance for Web-based businesses, we are developing new audit strategies that are tailored for this type of business activity.

We will implement a compliance communications strategy

The CRA continues to implement a compliance communications strategy action plan to inform taxpayers of their obligations and the consequences of not meeting them. The strategy also entails demonstrating that the CRA takes decisive action against non-compliance so that taxpayers can make choices in full knowledge of the inherent risk of such behaviour. This forthright approach to communication enhances trust.

Specific program priorities we will pursue over the planning period, in furtherance of our program strategies to enhance service delivery and our efforts to address non-compliance, are listed in the table below.

Priority Initiatives—Reporting Compliance

Program Priorities	Deliverables	Dates
• Compliance Review	• Identify emerging compliance risks and implement strategies to address them	• 2008-2009
• Aggressive tax planning	• International tax compliance action plan implementation	• 2008-2009
	• Interprovincial tax avoidance and provincial income allocation action plan implementation	• 2009-2010
• Underground economy	• Evaluate results of pilot projects begun in 2005-2006	• 2008-2009
• GST/HST High Risk Compliance	• Evaluate results of pilot projects begun in 2005-2006	• 2008-2009
• Compliance Communications Strategy	• Implement the compliance communications strategy action plan	• 2008-2009
• Corporate Tax Administration for Ontario initiative	• Fully integrate audits for Ontario and federal corporate income tax accounts	• 2008-2009
• SR&ED administration enhancement	• Simplify and streamline forms and publications	• 2008-2009
	• Create an online eligibility self-assessment tool for claimants	• 2008-2009
	• Enhance interaction with SMEs	• 2008-2009

Appeals (PA5)

Program Overview

The Appeals program activity resolves disputes between the CRA and taxpayers by conducting fair and impartial reviews. We provide this service by reviewing decisions contested by taxpayers and benefit recipients, in the areas of income tax, commodity taxes, pensionability of employment under the Canada Pension Plan, and the insurability of employment under the *Employment Insurance Act*. In the event of any subsequent appeals to the courts, we are responsible for collaborating with the Department of Justice.

We are also responsible for managing the administration of the Taxpayer Relief Provisions across all CRA program activities and the newly-formalized service complaints resolution process for the CRA.

Program Resources

Financial Resources

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending	165,346	169,281	171,359

Human Resources (FTE)

(full-time equivalents)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
	1,652	1,661	1,676

Measures—Appeals

Expected Result – Taxpayers receive a timely and impartial review of contested decisions

Impartiality

Our Indicators	Current Target
Appeals activities that met internal standards for consistency (per Quality Assurance Program)	Various
Appeals activities that met internal standards for transparency (per Quality Assurance Program)	TBD

Timeliness

Our Indicators	Current Target
Service standard for initial contact	85%
Average workable days to complete processing of income tax, commodity taxes, and CPP/EI disputes	Under development
Average workable days to complete a case[1]	Various
Average age of inventory in process	Neutral or downward trend

[1] The overall rating is based on whether results were achieved against established targets for the combined workloads.

Expected Result – Service complaints and taxpayer relief provisions are administered consistently	
Our Indicators	**Current Target**
Service complaints – acknowledged within 48 hours	90%
Service complaints – taxpayers contacted within 15 days	90%
Taxpayer Relief Provisions – consistent application (per Quality Assurance Program)	90%

Program Strategies

The Appeals program activity supports the achievement of the CRA's strategic outcomes by providing a redress mechanism for taxpayers. The protection of Canada's revenue base can be affected by the public's confidence in the fairness of the overall tax administration system and Canadians' trust in the integrity of the CRA.

Strengthening Service

The objective for the Appeals program activity is to ensure Canadians continue receiving a timely and impartial review of their contested decisions. In support of this, we will examine options to enhance the service delivery of the Appeals program by continuing the review to strengthen our core business processes and operations.

To improve timeliness, we will continue to build on the efficiencies resulting from the creation of intake centres in two Tax Centres that receive Income and Commodity tax disputes. We will finalize the creation of the centres of expertise in selected Tax Services Offices for our Appeals Large File Program to improve this program delivery.

We will maintain and build on the established CPP/EI Program performance goals in order to improve timeliness and efficiencies resulting from the improved state of the CPP/EI inventory.

We will formalize the CRA Service Complaints initiative

Canadians expect to receive quality service from the CRA. There will be situations, however, where the service we provide will result in complaints. We must ensure that the complaints received from taxpayers are handled in a timely and consistent manner. Accordingly, we have enhanced the process for resolving service-related complaints through the data collection, analysis, and reporting of these activities. This formalized process will make the CRA more transparent and accountable, and provide taxpayers with an additional level of confidence in the CRA.

To meet taxpayer demands and increase accessibility of our services, we will continue the work to enhance our electronic capabilities of the online appeals services that we provide.

Reinforcing Trust

The public's confidence in the fairness of our administration of Canada's tax laws is fundamental to the protection of Canada's revenue base. To reinforce this trust, the Taxpayer Relief Provisions permit the CRA to cancel or waive penalties and/or interest for taxpayers who are unable to comply due to circumstances beyond their control.

We will enhance the administration of the Taxpayer Relief provisions

To improve consistency and provide better reporting of the program, we will enhance the capabilities for the administration of the Taxpayer Relief Provisions program. In addition, we will foster stronger working partnerships across the CRA when conducting quality reviews of completed Taxpayer Relief Provisions files.

Specific program priorities we will pursue over the planning period, in furtherance of our program strategies to enhance service delivery and reinforce trust, are listed in the table below.

Priority Initiatives—Appeals

Program Priorities	Deliverables	Dates
• Review and strengthen core business processes and operations	• Maintain and build on established CPP/EI program performance goals	• 2009-2010
	• Continue our work to enhance electronic capability	• 2008-2009
	• Create centres of expertise for our Appeals Large File Program	• 2008-2009
	• Finalize infrastructure (field reorganization)	• 2008-2009
	• GST/HST redesign – ensure smooth implementation of the redesign as it applies to appeals	• TBD
	• Administer the objections and disputes filed from corporate tax assessments as it relates to the Corporate Tax Administration for Ontario initiative	• TBD
• Improve consistency in the agency-wide administration of the Taxpayer Relief Provisions	• Enhance system capability to facilitate improved data capture and program reporting of amounts forgiven under the Taxpayer Relief Provisions	• 2008-2009
• Formalize the process for resolving service-related complaints	• Data collection, analysis, and reporting of service related complaints, including systemic issue identification.	• 2008-2009

Benefit Programs (PA6)

Program Overview

The Benefit Programs program activity supports the efforts of federal, provincial, and territorial governments to assist families and children, low- and moderate-income households, and persons with disabilities. We provide Canadians with benefits, credits and other services that contribute directly to their economic and social well-being. The CRA administers three federal programs that issue benefit payments:

- the Canada Child Tax Benefit (CCTB);
- the Goods and Services Tax/Harmonized Sales Tax (GST/HST) credit; and
- Children's Special Allowances (CSA).

The CRA also delivers the Universal Child Care Benefit (UCCB) on behalf of Human Resources and Social Development Canada and will administer the new Working Income Tax Benefit advance payments based on estimated annual entitlements. It also administers the Disability Tax Credit, under which entitlements are delivered at the time individual income tax and benefit returns are processed rather than as direct cash payments.

With the July 2007 launch of the Ontario Child Benefit program, we now administer 18 ongoing benefit and credit programs on behalf of the provinces and territories. As well, we deliver one-time payment programs to respond to the immediate priorities of governments and we support the administration of programs (ranging from social assistance to extended health benefits) through data exchange and data transfer services that we provide for other levels of government. In total, the CRA administered 72 different benefit-related programs and services for provinces, territories, and other government departments in 2006-2007.

This program activity is divided into two sub-activities, both of which work in concert to ensure that Canadians receive their rightful entitlements:

Benefit Enquiries provides benefit recipients with the tools, assistance, and information they need by maintaining high-quality services on the telephone and through self-service and in-person channels.

Benefit Programs Administration is responsible for issuing more than $15 billion in benefit and credit payments on behalf of the federal, provincial, and territorial governments. This sub-activity provides the right tools and information so that potential recipients can provide us with the information we need to register them on the appropriate benefit rolls and ensure that they receive timely and accurate benefit payments. Review activities are conducted to verify that only eligible recipients receive benefits and credits and that the amounts they receive are correct in accordance with the legislation. As the number of benefits-related requests for redress is negligible, the workload is handled under Tax Services Appeals (PA5).

Program Resources

Financial Resources

(thousands of dollars)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
Planned Spending	384,414	390,803	399,213

Human Resources (FTE)

(full-time equivalents)	Planned 2008-2009	Planned 2009-2010	Planned 2010-2011
	2,018	1,961	1,956

Measures—Benefit Programs

Expected Result – Benefit recipients have access to timely and accurate information

Timely Information

Our Indicators	Current Target
Percentage of CCTB calls answered within two minutes of entering the queue	75%
Respond to GST/HST credit telephone enquiries in the queue within two minutes	Under review

Accurate Information

Our Indicator	Current Target
Percentage of accurately updated internal reference materials for Benefit Services agents	100%

Accessible Information

Our Indicators	Current Target
Percentage of CCTB callers who succeed in reaching CRA telephone service	90%
GST/HST credit callers that reach our telephone service	To be developed during 2008-2009

Expected Result – Eligibility determination and payment processing are timely and accurate

Our Indicators	Current Target
Key service standards (refer to service standards for PA6 in Appendix C)	Various
Percentage of benefit recipients expressing satisfaction with the service received	90%
Percentage of CCTB accounts adjusted that were targeted under validation programs	50%

Program Strategies

The Benefit Programs program activity supports the achievement of the CRA's strategic outcome for benefits. As we process millions of timely and accurate payments each year for CCTB, UCCB, and GST/HST credit recipients, including payments under related provincial and territorial benefit and credit programs, Canadians depend upon us to maintain excellence in the delivery of benefit programs.

Strengthening Service

We continue to invest in technology as part of our flexible infrastructure.

We will enhance self-service options

We will enhance the self-service options on the Internet, supported through the e-Services Helpdesk, to ensure both that benefit recipients have access to the timely and accurate information they need and that they are able to report changes to their circumstances that affect their payments. While we migrate benefit recipients to more affordable, accessible enquiries channels, we will also improve appropriate levels of telephone service: this continues to be the preferred method for benefit recipients to contact the CRA, especially for those who may lack access to the Internet. To ensure that timely and accurate payments are made to those who qualify, we are also pursuing the multi-year effort of reviewing our core benefit delivery systems.

Enhancing our Efforts to Address Non-Compliance

To maintain overall benefits compliance and the confidence of benefit recipients, we need to ensure that the right benefits are delivered only to the right families and individuals.

We will strengthen benefits validations

We will continue to implement our benefits compliance strategy and enhance our validation techniques, based on education, facilitated compliance and a credible enforcement presence.

Maintaining our historically strong performance in benefits administration by enhancing the CRA's national benefit delivery infrastructure also maintains the confidence of client governments on whose behalf we deliver programs.

Specific program priorities we will pursue over the planning period, in furtherance of our program strategies to enhance service delivery and our efforts to address non-compliance, are listed in the table below.

Priority Initiatives—Benefit Programs

Program Priorities	Deliverables	Dates
• Continue to improve quality of information services provided	• Develop a new national quality and accuracy learning program	• 2008-2009
	• Ensure internal reference materials are accurately updated	• 2008-2009
• Ensure the ability of our benefit delivery infrastructure to support core business and growth	• Continue to apply process management elements to develop national standards for our core programs	• 2009-2010
	• Reassess core systems and enhance flexibility in program delivery – Renewal of the Individual Identification System	
	– Improve information management tools	• 2009-2010
	– Improve information sharing services	• 2010-2011
	– Enhance data gathering and storage services	• 2010-2011
	• Implement a new Case Management system for core benefit workflows	• 2009-2010

Program Priorities	Deliverables	Dates
• Maintain high levels of service and accountability in core program delivery	• Enhance My Account and promote increased usage:	
	– Enhanced functionality for WITB (Working Income Tax Benefit)	• 2008-2009
	– Apply for Child Benefits option – update child information	• 2009-2010
	– Apply for Child Benefits option – update marital status	• 2010-2011
	• Apply our communications strategy to enhance awareness of programs and obligations:	
	– Targeted mail-outs for potential benefit recipients	• 2008-2009
	– Video promoting Disability Tax Credit for universities and colleges	• 2008-2009
	– Promote direct deposit for GST/HST credit recipients	• 2009-2010
	• Implement the Quality Review Strategy	• 2008-2009
• Maintain the confidence of benefit recipients and client governments through strengthening validation and controls	• Implement the recommendations of the Compliance Strategy	
	– Establish annual benchmarks for compliance in the GST/HST credit program, and institute strategies to reduce non-compliance	• 2008-2009
	• Work with partners to negotiate sharing notification of a vital event for an individual	
	– Receive information on deaths from 5 provinces under National Routing System	• 2009-2010
• Manage business growth and partnerships	• Deliver the first quarterly WITB advance payments	• April 2008-as per commitment on CRA Web site
	• Expand data exchange opportunities (e.g., Income Verification Programs) with additional clients	• As each new client is added when they move from testing phase into production
	• Develop an evaluation framework to guide the completion of a formative evaluation assessing the effectiveness and efficiency of the processes and procedures established for the administration of the UCCB, in co-operation with HRSDC	• 2008-2009

Corporate Services (PA7)

Program Overview

Our Corporate Services program activity includes human resource management, information technology, public affairs, finance and administration, corporate audit and program evaluation, legal services, and corporate strategies and business development. These activities are interrelated, and by managing our corporate services in an integrated manner across the CRA, we ensure that our tax and benefit services have the guidance, infrastructure, and resources needed for successful delivery.

Program Strategies

Strengthening our management infrastructure is a key priority in support of CRA program delivery over the planning period.

Human Resources

The CRA is responsible for its own human resource regime. Further to the plans we have in place related to our strategic theme of A Workplace Committed To Excellence, the following human resources priorities will be undertaken over the planning period:

- promote sustained and targeted investments in learning;
- improve the evaluation, monitoring, and reporting framework for employee performance management;
- continue to foster a healthy and safe workplace;
- enhance Competency-Based Human Resources Management;
- move forward with the CRA classification reform and reducing the number of classification groups; and
- implement the Human Resources Agreement with the Ontario Ministry of Revenue.

Information Technology

Since the CRA collects and processes massive amounts of data, information technology is a core part of our business and a key enabler for our service and compliance delivery. Our priorities related to information technology (IT) solutions and infrastructure include:

- ensure the continued integrity and security of electronic data holdings;
- enhance recovery capability of critical IT applications and services;
- implement network technology upgrades;
- continue to advance the CRA data warehouse and Business Intelligence and Decision Support foundation;
- initial planning for the move to the new Government of Canada Data Centre;
- improve efficiency in the distributed computing environment; and
- develop an application sustainability strategy and plan.

Public Affairs

This sub-activity supports the CRA's approach to promoting voluntary compliance through effective communications. Over the planning period, the following priorities will be undertaken:

- enhance the way we talk to Canadians about the benefits of Canada's voluntary compliance regime and the risks of participating in aggressive tax avoidance schemes; and
- implement a branding strategy in alignment with the future direction of the CRA and promote the CRA's new brand promise.

Finance and Administration

To sustain trust in our ability to collect revenue and deliver entitlements, the CRA will maintain sound comptrollership and administrative governance. We will support the delivery of our tax and benefits programs by focusing on the following priorities:

- advance our capacities in Enterprise Risk Management;
- further improve accounting and reporting of tax revenues on an accrual basis;
- provide Ontario with accurate and timely information on its corporate income tax revenues;
- implement the Financial Monitoring Framework;
- develop a Chief Financial Officer certification process;
- implement the Continuous Controls Monitoring Framework;
- strengthen linkages between resources and results; and
- enhance our costing and reporting practices.

Corporate Audit and Evaluation

Corporate audit and evaluation activities will continue to provide the Commissioner, the Board of Management and senior management with independent and objective information, advice and assurance on the soundness of the Agency's management framework, and on the effectiveness, efficiency and value for money of its strategies, programs and practices.

Legal Services

Our Legal Services sub-activity provides legal advice with respect to our operations and policies. To enhance CRA expertise, Legal Services will provide training in areas of access to information and privacy, confidentiality for tax information, ethics and conflict of interest, and various areas of public law.

Corporate Strategies and Business Development

The CRA is proactive in its work with provincial and territorial partners. Over the planning period, several key priorities will be undertaken in this area, including:

- complete our work in defining the services and service levels the CRA will provide under tax collection agreements;
- pursue cost recovery agreements where client governments wish to access enhanced service levels;
- introduce a national electronic registry to track and assess releases of taxpayer information more effectively;
- advance an Integrated Research Framework to enable a more efficient co-ordination of our research activities;
- review our readiness to administer additional Harmonized Sales Tax agreements; and
- proceed with the Corporate Tax Administration for Ontario initiative.

Agency Governance and the Board of Management

The Board of Management is comprised of individuals from across Canada who bring diverse business and professional experience from the private, public and not-for-profit sectors. The Board is mandated to bring a strategic perspective to the CRA's operations and foster sound management and service delivery.

The following is a summary of the Board's priorities for the period 2008-2009 to 2010-2011. The priorities are grouped according to the Board's statutory oversight responsibilities

Organization & Administration	Resources & Services	Personnel
• The Board of Management Oversight Framework will be implemented in 2008 to facilitate a rigorous and evidence-based method of demonstrating the Board's oversight of Agency management.	• Monitor all major projects, including several IT initiatives, and oversee the refinement of the Agency's project management costing and reporting practices.	• Monitor the progress of the Agency Classification Standard initiative and provide guidance to management on its implementation.
• Monitor the implementation of the Agency's Enterprise Risk Management program, including the establishment of a corporate risk management function and centre of expertise.	• Provide oversight and guidance on a number of initiatives to strengthen the integrity of the Agency's financial systems and processes. • Approve and monitor the CRA's Service Strategy, and reviewing reports from the Office of the Taxpayers' Ombudsman on systemic and emerging issues related to service matters	• Provide input to and approve succession planning and talent management investments and strategies

Conclusion by the Commissioner

The Canada Revenue Agency (CRA) is a high-performance organization, not only providing more services than ever before, but to more federal, provincial, territorial, and First Nations clients. Our reputation as a world-class tax administrator and benefits deliverer is rooted in our strong record of performance. Consequently, any strategies that we put in place must recognize the dependence and trust that clients have in our performance. We want Canadians to understand that we take their confidence in us very seriously.

"I understand that this Plan is far reaching and a stretch, but we deserve no less."
William V. Baker

The environment in which we operate poses significant obstacles to high-performance. Some challenges are faced by all organizations, such as ensuring business sustainability, strengthening the information technology infrastructure, and mitigating the impact of an aging workforce. Other challenges are unique to tax administration organizations, such as evolving compliance issues and growth in tax debt, which is being experienced by all OECD countries, including Canada. It is against this backdrop that we have developed our *Report on Plans and Priorities 2008-2009*.

To address these challenges and to ensure that we continue to function as a highly performing organization, we will concentrate on achieving excellence in two areas.

Excellence in Program Delivery and Excellence in the Workplace

Our first strategy is centred on excellence in program delivery. We will focus on strengthening our service to Canadians, enhancing our efforts to address non-compliance, and reinforcing the trust that our clients have in us, since these are key factors in achieving our results and in safeguarding Canadians' reliance in our operations. Our second strategy acknowledges that the basis of our strong performance is the competence and dedication of CRA employees, their commitment to learning and their responsiveness. As such, this strategy focuses on our workforce. Building a modern, progressive human resources regime is key to the success of our organization, as we continue our work to keep and attract top quality talent.

I look forward to working with my colleagues as we implement these strategies. I am confident that these strategies will continue to promote a culture of achievement and of excellence in the CRA, resulting in added value to our government clients, and contributing to the quality of life for Canadians.

William V. Baker
Commissioner and Chief Executive Officer
Canada Revenue Agency

Financial Tables

Table 1 – Voted and Statutory Items

Vote or Statutory Item	Truncated Vote or Statutory Wording	Main Estimates 2008-2009 (thousands of dollars)	Main Estimates 2007-2008 (thousands of dollars)
1	Program expenditures and recoverable expenditures on behalf of the Canada Pension Plan and the *Employment Insurance Act*	2,933,062	2,607,505
(S)	Minister of National Revenue – Salary and motor car allowance	76	75
(S)	Spending of revenues received through the conduct of its operations pursuant to Section 60 of the *Canada Revenue Agency Act*	161,263	143,637
(S)	Contributions to employee benefit plans (EBP)	400,644	402,675
(S)	Children's Special Allowance payments	219,000	205,000
(S)	Payments to private collection agencies pursuant to Section 17.1 of the *Financial Administration Act*	23,316	21,032
	Total Agency	3,737,361	3,379,924

The 2008-2009 Main Estimates for the Canada Revenue Agency (CRA) increased by $357.4M from 2007-2008; the changes are mainly comprised of:

A net increase of $325.5M in Vote 1 made up of:

- an increase of $260.3M related to the transfer for accommodation services from the Department of Public Works and Government Services Canada (PWGSC);
- an increase of $87.6M related to the 2006 and 2007 Federal Budgets to address Legislative and Enhanced Audits and Enforcement Measures as well as policy and operational measures;
- an increase of $33.9M related to Inter-Provincial Compliance (IPTA), the 2006 Canada – United States Softwood Lumber Agreement as well as other minor adjustments;
- a decrease of $56.3M related to Canada Pension Plan and Employment Insurance recoveries, the 2007 Federal Budget Cost Efficiency Savings Initiatives and other minor adjustments.

An increase of $17.6M in Respendable Revenue related mainly to Information Technology services provided by the Canada Revenue Agency to the Canada Border Services Agency (CBSA).

An increase of $14M to Children's Special Allowance related to allowances for eligible children in the care of specialized institutions.

Table 2 – Agency Planned Spending and Full-Time Equivalents

	Forecast Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Planned Spending 2010-2011
	(thousands of dollars)			
Program Activity				
Taxpayer and Business Assistance	295,387	**380,755**	376,424	376,223
Assessment of Returns and Payment Processing	838,868	**884,676**	871,441	873,334
Accounts Receivable and Returns Compliance	751,791	**782,128**	782,996	780,086
Reporting Compliance	1,168,185	**1,392,634**	1,393,968	1,395,762
Appeals	153,811	**179,690**	178,644	178,817
Benefit Programs	335,843	**384,088**	388,987	396,841
Budgetary Main Estimates (gross)	3,543,885	**4,003,971**	3,992,460	4,001,063
Less: Revenues Credited to the Vote	163,961	**266,610**	268,045	270,929
Total Main Estimates	3,379,924	**3,737,361**	3,724,415	3,730,134
Adjustments				
Carry Forward from 2006-2007	167,724	–	–	–
Supplementary Estimates				
Statutory Payment – 2006 Canada-United States Softwood Lumber Agreement	437,000	–	–	–
Transfer from Public Works and Government Services Canada for Accommodation Services	257,146	–	–	–
Budget measures arising from the 2007 Federal Budget	45,228	–	–	–
Corporate Tax Administration for the Province of Ontario	21,531	**74,456**	78,227	65,506
National initiative to address inter-provincial tax avoidance by corporations	19,344	–	–	–
2006 Canada-United States Softwood Lumber Agreement	15,060	–	–	–
Budget measures arising from the 2006 Federal Budget	10,519	–	–	–
Legal and Income Tax Debt Set-Off Activities	4,606	–	–	–
Statutory Payment – Energy Cost Assistance Measures	3,000	–	–	–
Transfer from Justice – UCCB, 2006 Omnibus, 2006 Canada-United States Softwood Lumber Agreement, National Initiative to Address Inter-Provincial Tax Avoidance by Corporations	773	–	–	–
National Anti-Drug Strategy	660	–	–	–
E-Service Advertising Campaign	550	–	–	–
Public Service Modernization Act	205	–	–	–
Transfer from Western Economic and Diversification in support of Minister's Regional Office in Saskatchewan	100	–	–	–
Review all ongoing grant and contribution programs every five years	91	–	–	–
Cabinet Directive on Streamlining of Regulations	59	–	–	–
Adjustments to Canada Pension Plan and Employment Insurance Recoveries from Vote 1	(41,835)			
Offshore Trusts Initiative (legislation pending)	(22,081)	–	–	–
Transfer to Foreign Affairs and International Trade in Support of Employees Abroad	(231)	–	–	–
Transfer to Public Service Human Resources Management Agency of Canada – National Manager's Community	(200)	–	–	–
	751,525	**74,456**	78,227	65,506

	Forecast Spending 2007-2008	Planned Spending 2008-2009	Planned Spending 2009-2010	Planned Spending 2010-2011
	(thousands of dollars)			
Technical Adjustments:				
Adjustment to Accommodation Services		**22,021**	29,367	29,367
Adjustment to CPP/EI – Vote 1	98,610	**5,750**	9,936	12,409
Maternity and Severance Payments	59,951	–	–	–
Adjustment to EBP	43,644	–	–	–
2007-2008 Adjustment to Respendable Revenues	30,584	–	–	–
Collective agreements/ Contract awards	12,559	**41,366**	71,479	89,269
2007-2008 Adjustment to Revenues Credited to the Vote	(98,610)	**(5,750)**	(9,936)	(12,409)
Offshore Trusts Initiative (legislation pending)	(2,262)	–	–	–
	144,476	**63,387**	100,846	118,636
Total Adjustments	1,063,725	**137,843**	179,073	184,142
Total Planned Spending	4,443,649	**3,875,204**	3,903,488	3,914,276
Less: Respendable Revenue pursuant to *CRA Act*	174,221	**161,263**	161,405	161,389
Non-Respendable Non-Tax Revenue (Agency Activities)	50,731	**50,731**	50,731	50,731
Plus: Cost of services received without charge	255,266	**244,069**	248,082	250,827
Total Agency Spending	**4,473,963**	**3,907,279**	3,939,434	3,952,983
Full-Time Equivalents (Planned)	39,856	**40,774**	40,710	40,592

Summary Information

	2008-2009	2009-2010	2010-2011
	(thousands of dollars)		
Financial Resources	3,875,204	3,903,488	3,914,276

	2008-2009	2009-2010	2010-2011
Human Resources (full-time equivalents)	40,774	40,710	40,592

The following tables are available electronically on the Treasury Board Secretariat's website: http://www.tbs-sct.gc.ca/est-pre/2008-2009/p3a_e.asp

Table 3: Details on Transfer Payments

Table 4: Services received without charge

Table 5: Sources of Respendable and Non-Respendable Revenue

Table 5.1: Respendable Revenue

Table 5.2: Non-Respendable Non-Tax Revenue (Agency Activities)

Appendix A: Board of Management

Board Membership

The Board of Management of the Canada Revenue Agency comprises 15 members appointed by the Governor in Council. They include the Chair, the Commissioner and Chief Executive Officer, a director nominated by each province, one director nominated by the territories, and two directors nominated by the federal government. Members of the Board bring a private-sector perspective and business approach to management and, in this regard, have been championing a significant agenda for change within the CRA.

The following table shows Board membership as of January 2008.

Connie I. Roveto, B.A., B.Ed., ICD.D
Chair, Board of Management
President
Cirenity Management
Toronto, Ontario

Camille Belliveau, FCGA, CFP
Executive Director
Groupe EPR Canada Group Inc.
Shediac, New Brunswick

Myles Bourke, B.Comm., FCA
Corporate Director
Lethbridge, Alberta

Raymond Desrochers, B.Comm., CA, CFE
Partner
BDO Dunwoody LLP Chartered Accountants
Winnipeg, Manitoba

Gordon Gillis, B.A., LL.B.
Lawyer/Consultant
Dartmouth, Nova Scotia

André Gingras
Founder and Director
André Gingras et Associés inc.
Montréal, Quebec

Robert J. (Bob) Healey, B.Comm., CFP, FCA
Corporate Director
St. John's, Newfoundland and Labrador

James J. Hewitt, FCMA
Corporate Director
Penticton, British Columbia

Howard A. Leeson, Ph.D.
Senior Policy Fellow
Saskatchewan Institute of Public Policy
Regina, Saskatchewan

Rod Malcolm, CA
Corporate Director
Iqaluit, Nunavut

Patricia J. Mella, B.A., B.Ed., MA
Corporate Director
Stratford, Prince Edward Island

James R. Nininger, B.Comm., M.B.A., Ph.D.
Corporate Director
Ottawa, Ontario

Stephen E. Rudin, MSPH, M.Ed., CHE
Health Care Consultant
Toronto, Ontario

Sylvie Tessier, B.Sc., M.B.A., P.Eng., ICD.D
Consulting Director
Sierra Systems
Toronto, Ontario

William V. Baker, B.A., M.A., ICD.D
Commissioner and Chief Executive Officer
Canada Revenue Agency
Ottawa, Ontario

The Board of Management is responsible for overseeing the organization and administration of the Agency and the management of its resources, services, property, personnel and contracts. The Board is supported by four committees with mandates to assist the Board in fulfilling its oversight responsibilities. The role and membership of these committees are outlined below.

Audit Committee		
Mandate	The Audit Committee reviews the CRA's accounting framework, financial and performance information, internal controls and financial risks, and compliance with financial and environmental legislation.	
Membership	Chair	J. Hewitt
	Vice-Chair	R. Desrochers
	Members	M. Bourke, R. Healy, C. Roveto

Governance Committee		
Mandate	The Governance Committee reviews all aspects of the Board's governance framework to ensure that the Board functions in an effective and efficient manner that successfully supports the operations of the CRA.	
Membership	Chair	C. Roveto
	Vice-Chair	H. Leeson
	Members	W. Baker, J. Hewitt, J. Nininger

Human Resources Committee		
Mandate	The Human Resources Committee reviews the management of human resources within the CRA and provides recommendations and advice on the CRA's human resources management strategies, initiatives, and policies.	
Membership	Chair	J. Nininger
	Vice-Chair	H. Leeson
	Members	W. Baker, G. Gillis, P. Mella, C. Roveto, S. Rudin

Resources Committee		
Mandate	The Resources Committee reviews the CRA's operating and capital budgets and its capital investment plans, along with the development of administrative management strategies and policies for the management of funds, real property, contracts, equipment, information, information technology, and environmental obligations.	
Membership	Chair	C. Belliveau
	Vice-Chair	R. Malcolm
	Members	W. Baker, A. Gingras, C. Roveto, S. Tessier

Appendix B: Organizational Structure

As of January 9, 2008

Appendix C: Service Standards

External service standards publicly state the level of performance that citizens can reasonably expect to encounter from the CRA under normal circumstances. The CRA is committed to developing, monitoring and reporting on a full suite of service standards in areas of importance to taxpayers and benefit recipients. Service standards also support our commitment to Canadians for transparency, management accountability, and citizen-centred service.

Service standards that are consistently met help facilitate Canadians' compliance with tax and benefits legislation and support the CRA's program administration.

Management sets targets that represent the percentage or degree of expected attainment of an established standard. Targets are based on operational realities and infrastructure, historical performance, the degree of complexity of the work, and Canadians' expectations.

Meeting our targets for service standards demonstrates that the organization is responsive to taxpayer and business needs.

The CRA continues to examine opportunities for introducing new service standards to keep pace with changes in technology and business processes, as well as with our evolving service strategy. We draw on our experience in working with our service standards to revise, adjust, or even delete existing standards, as appropriate.

Adjustments

There will be a number of changes to the CRA's existing slate of service standards in 2008-2009. These include several adjustments, one representing a significant service improvement.

This year, we will be adjusting the targets of our two problem resolution program (PRP) service standards from 100% to 95%. After several years of monitoring and reporting, it was determined that this would be a more realistic yet challenging target.

Approval is being sought to amend the standard for Validation and Control. The standard will be changed from 60 days to 45 days. The functional area in consultation with the Tax Centres concluded that 45 days would be attainable.

We have changed the name of our service standard for statements of interim payments as GST/HST has been added while statements to other levies taxpayers have been discontinued. The new name of this standard will be providing statements of interim payments (SIP) to corporations and GST/HST clients on a monthly basis.

As of April 1, 2008, the CRA plans to change the service standard for processing GST/HST returns from 21 days to 30 days. This change is being proposed to align the service standard with the legislative change that took effect on April 1, 2007, whereby the CRA now must pay taxpayers interest on refunds after 30 days. The longer timeframe for the service standard takes mailing time into account as we are required to count processing time from the date of filing rather than the date of receipt. The target (95%) will remain the same. At the same time, the processing of returns covered by the standard is being incorporated onto the standardized accounting platform.

For GST/HST rulings and interpretations—written enquiries, based on past performance in 2006-2007 where we attained 87%—we are raising the target for this standard from 75% to 80%.

Deletion

The visitor rebate program for GST/HST applications was eliminated beginning April 1, 2007, and claimants were given one year following this date to file their rebate applications. Thus, the service standard for processing visitor GST/HST rebate applications for 2008-2009 will be deleted.

Reporting

In 2008-2009, we will have a total of 47 service standards. We report externally on our overall performance against our service standards in the CRA's Annual Report, found at www.cra.gc.ca/agency/annual/menu-e.html. The following service standards will be in effect for 2008-2009.

Taxpayer and Business Assistance (PA1) (Enquiries and Information Services)

Service	Standard	Target
1. Problem resolution program[1]	Acknowledged within two working days	95%
2. Problem resolution program[1]	Resolution/taxpayer contact within 15 working days	95%
3. General enquiries—Telephone service level	Respond to calls in queue within two minutes	80%
4. Business enquiries—Telephone service level	Respond to calls in queue within two minutes	80%

[1] This service standard has been adjusted.

Taxpayer and Business Assistance (PA1) (Legislative Policy and Regulatory Affairs)

Service	Standard	Target
5. Charities—Responding to telephone enquiries	Within two minutes	80%
6. Advance income tax rulings to taxpayers	Within average of 60 days	100%
7. Technical interpretations to taxpayers	Within average of 90 days	100%
8. GST/HST rulings and interpretations—Written enquiries[1]	Within 45 working days	80%
9. Applications to register pension plans	Complete review in 180 days	85%
10. Amendments to registered pension plans	Nine months	80%
11. Termination of registered pension plans	One year	85%
12. Retirement savings plans (applications to register, amend, or terminate)	Within 60 days	80%
13. Retirement income funds (applications to register, amend, or terminate)	Within 60 days	80%
14. Education savings plans (applications to register, amend, or terminate)	Within 60 days	85%
15. Actuarial valuation reports	Nine months	80%
16. Deferred income plans—Response to written enquiries	Within 60 days	80%
17. Deferred profit sharing plans	Registration in 180 days	80%
18. Deferred profit sharing plans	Amendments and terminations in 270 days (nine months)	80%

[1] This service standard has been adjusted.

Legend: Adjusted service standard New service standard

Assessment of Returns and Payment Processing (PA2)

Service	Standard	Target
19. Responding to taxpayer-requested adjustments (T1)	Eight weeks	100%
20. Responding to taxpayer-requested adjustments (T1) received via the Internet	Two weeks	100%
21. Providing Statements of Interim Payments (SIP) to corporations and GST/HST clients on a monthly basis[1]	Mailed by the 18th of the month	95%
22. Processing T1 individual income tax returns (paper)	Four to six weeks	100%
23. Processing T1 individual income tax returns (EFILE, TELEFILE, NETFILE)	Two weeks	100%
24. Processing T3 trust returns	Within four months	95%
25. Processing excise tax, excise duty, and air travellers security charge returns	Within 90 days	95%
26. Processing GST/HST returns[1]	30 days	95%
27. Processing T2 corporation income tax returns	Within 60 days	90%

[1] This service standard has been adjusted.

Accounts Receivable and Returns Compliance (PA3)

Service	Standard	Target
28. Processing taxpayer relief requests related to accounts receivable and trust accounts programs	Four to six weeks	90%

Reporting Compliance (PA4)

Service	Standard	Target
29. Processing non-resident Regulation 105 waiver requests	30 days	85%
Claims—SR&ED tax incentives		
30. Refundable claims	120 days	90%
31. Non-refundable claims	365 days	90%
32. Claimant-requested adjustments to refundable claims	240 days	90%
33. Claimant-requested adjustments to non-refundable claims	365 days	90%
Claims—Video and film tax credits		
34. Refundable claims—Unaudited	60 days	90%
35. Refundable claims—Audited	120 days	90%

Appeals (PA5)

Service	Standard	Target
36. First contact letter for disputes	30 days	85%

Legend: Adjusted service standard New service standard

Benefit Programs (PA6)

Service	Standard	Target
37. Canada Child Tax Benefit—Telephone service level	Respond to calls in queue within two minutes	75%
38. Processing benefit applications and elections —Timeliness	Issue a payment, notice, or explanation within 80 days[1]	98%
39. Processing benefit applications and elections—Accuracy	Accurately process information and, if necessary, issue a payment, notice, or letter	98%
40. Responding to benefit and credit enquiries—Timeliness	Respond to written enquiries and telephone referrals from Call Centres within 80 days[2]	98%
41. Responding to benefit and credit enquiries—Accuracy	Respond to written enquiries and telephone referrals from the Call Centres with the correct information, and process new recipient information, including issuing a payment, notice, or letter, accurately	98%
42. Validation and control—Results of review[3]	Inform the recipient of the results of our review within 45 days after we receive the information requested	90%
43. Processing a request to authorize or cancel a representative	Within 20 business days of receipt during peak periods	90%
44. Processing a request to authorize or cancel a representative — accuracy–peak[4]	Accurately process the request, and if necessary, send a letter requesting additional information	98%
45. Processing a request to authorize or cancel a representative	Within five business days of receipt during non-peak periods	90%
46. Processing a request to authorize or cancel a representative — accuracy–non-peak[4]	Accurately process the request, and if necessary, send a letter requesting additional information	98%

1 Formerly called Processing CCTB applications – User-friendly wording for this standard was implemented pursuant to the 2007-2008 CBP.

2 Formerly called Account Maintenance – User-friendly wording for this standard was implemented pursuant to the 2007-2008 CBP.

3 This service standard has been adjusted.

4 This service standard is new.

Corporate Services

Service	Standard	Target
47. Client or taxpayer requests for statistical tax data	Within an average of 30 days	100%

Legend: Adjusted service standard New service standard

Service Standards Under Development

The CRA also remains committed to improving service and developing new service standards, as shown by our ongoing work listed below. However, developmental work on a standard for the Part XIII withholding telephone enquiries has been discontinued. The volumes were too low to warrant establishing a new service standard. Developments Planned for 2008-2009 to 2010-2011 follow:

Program Activity	Service Standard	Proposed Target
Taxpayer and Business Assistance (Legislative Policy and Regulatory Affairs)	Review and respond to applications for charitable registration upon receipt of a complete application, within established standards	80%
	Deferred income plans—response to written enquiries within 60 days	85%
	GST/HST Rulings, telephone enquiries—respond to calls in the queue within two minutes	80%
	Registration of a pension plan within 90 days	85%
	Registered pension plan amendments within 60 days. This standard would combine amendments within nine months and terminations within one year.	85%
	Request for eligible contributions within 270 days. This standard would rename actuarial validation reports and raise the target.	85%
(Enquiries and Information Services)	International and Non-resident General Enquiries – Telephone service level. Respond to calls in the queue within two minutes.	80%
Appeals	Processing disputes	TBD

Appendix D: Sustainable Development Strategy

The CRA launched its 2007-2010 Sustainable Development (SD) Strategy on April 1, 2007. Our new strategy builds on the accomplishments and lessons learned from our previous strategy and again sets aggressive targets for reducing the Agency's environmental impacts and improving the efficiency of our operations. The SD targets will be pursued in the context of four related goals:

- Reducing the effects of our operations on land, air and water;
- Delivering our services in a more sustainable manner;
- Engaging our employees to apply sustainable development; and,
- Using modern systems to support and maintain sustainable development.

The Agency's 2007-2010 SD Strategy can be viewed online at: http://www.cra-arc.gc.ca/E/pub/xi/rc4087/rc4087-01-07e.html.

In addition to our SD Strategy the CRA also publishes a national SD Action Plan. This document extends the logic chain presented in the SD Strategy to the level of individual activity, the level at which concrete action takes place to improve environmental performance. The plan, which is updated annually, shows the linkages between federal goals and CRA SD goals, objectives, targets and activities. It also includes outputs, performance indicators and measures, due dates, and details of the CRA's SD accountability structure. The CRA's SD Action Plan for 2007-2010 can be viewed at: http://www.cra-arc.gc.ca/E/pub/xi/rc4369/README.html. For current and past SD performance reports please refer to: http://www.cra-arc.gc.ca/agency/sustainable/performance/menu-e.html.

1. CRA SD Strategy Goal: Reduce the effects of our operations on land, air, and water.

Applicable federal SD goal including GGO goals:	**CRA performance measurement from current SD Strategy:**	**CRA expected results for 2008-2009:**
Reduce greenhouse gases.	Average diversion rates that include reduction and reuse totals at participating facilities	1.1.1.4 Measure waste diversion rates, including reduction and reuse totals, and measure emissions (GHG) reductions as a result of waste management programs at all priority facilities. (March 31, 2010)*
Strengthen federal governance and decision-making to support sustainable development.	Annual percentage of green products purchased by dollar value compared to annual total dollar value spent on products	1.1.2.1 Include SD clauses and environmental specifications in all new strategic sourcing contracts. (Annual)
Set a minimum of three procurement targets over three years. (GGO)	Percentage emissions reduction from business travel; percentage increase in use of modes of sustainable business travel	1.1.2.3 Review and improve the efficiency of the CRA procurement process when working with suppliers, such as the bidding process, ordering systems, e-capabilities, green procurement tracking, and any new contracting tools.(March 31, 2009)
100% of materiel managers and procurement personnel take green procurement training by 2010. (GGO)	Annual average emissions (GHG) per kilometre travelled by CRA fleet Greenhouse gas emission reductions	1.1.2.6 Provide green procurement training to 100% of procurement officers and their managers. (March 31, 2010)*
Reduce by 15% from 2002-2003 levels, GHG emissions per vehicle kilometre from the departmental fleet by 2010. (GGO)	Number of priority facilities with energy reduction programs; energy reduction targets and measurement system in place for each priority facility	1.1.5.1 All vehicles purchased/leased by the CRA are either hybrid or alternative fuel capable, where operationally feasible. (Annual)
Tenant departments and agencies will work with their facilities' provider to establish meaningful targets and the means to measure the reduction of GHG emissions by 2010. (GGO)		1.1.5.2 All gasoline purchased for CRA road vehicles will be ethanol blended, where available. (Annual)
		1.1.6.2 Identify priority facilities, such as Crown-owned facilities where the CRA is a sole tenant and where the service provider can measure building energy use, and establish an energy use baseline and emissions (GHG) baseline. (March 31, 2009)
		1.1.6.3 Implement energy reduction programs in priority facilities, in coordination with the landlord, service provider, real property, sustainable development, and other stakeholders. (March 31, 2009)

* The deadline for achieving the result is March 31, 2010, however some actions in support of this activity will take place during the 2008-2009 fiscal year.

2. CRA SD Strategy Goal: Our programs demonstrate sustainable service delivery.

Applicable federal SD goal including GGO goals:	CRA performance measurement from current SD Strategy:	CRA expected results for 2008-2009:
Communities enjoy a prosperous economy, a vibrant and equitable society, and a healthy environment for current and future generations.	Percentage of negotiations, discussions, and decision-making with partners that applied sustainability criteria Efficiencies gained by implementing the Service Delivery Strategy Type of efficiencies the CRA offers to clients and partners in its service delivery Total number of returns and total number of electronic returns completed by Community Volunteer Income Tax Program volunteers	2.2.1.3 Contribute to economic development in Canada and abroad by holding a leadership position within organizations, such as the Organization for Economic Co-operation and Development (OECD); and sharing information with partners on better tax administration, encouraging better economic practices, working with partners to develop internationally accepted tax rules, and managing and coordinating technical assistance projects in different countries. (Annual) 2.2.1.5 Contribute to the economic sustainability of First Nations communities by working with First Nations members and representative associations through the First Nations Advisory Committee, and the Department of Finance to establish and administer tax administration agreements with interested First Nations. (March 31, 2010)*

3. CRA SD Strategy Goal: All employees apply sustainable development in their jobs.

Applicable federal SD goal including GGO goals:	CRA performance measurement from current SD Strategy:	CRA expected results for 2008-2009:
Reduce greenhouse gases.	Number of priority facilities where the employee commuting program was implemented Percentage of employees who commute Percentage increase in use of commuting alternatives; percentage reduction in emissions (GHG) and/or percentage increase in sustainable modes of travel	3.2.2.1 Results for sustainable employee commuting activities scheduled for completion in 2007-2008; no results linked to federal goals are expected from this specific activity during the 2008-2009 fiscal year.

4. CRA SD Strategy Goal: Use modern systems that support and maintain sustainable development.

Applicable federal SD goal including GGO goals:	CRA Performance measurement from current SD Strategy:	CRA expected results for 2008-2009:
Strengthen federal governance and decision-making to support sustainable development.	Economic, social, and environmental indicators for the CRA SD Report Card published in the CRA Annual Report	4.2.1.1 Continue to integrate sustainability criteria into key programs and policies of the CRA. (Annual) 4.2.1.3 Publish the SD Report Card in the *2008-2009 CRA Annual Report to Parliament*. (March 31, 2010)*

* The deadline for achieving the result is March 31, 2010, however some actions in support of this activity will take place during the 2008-2009 fiscal year.

Appendix E: Glossary

Accountability	The obligation to demonstrate and responsibility for performance in light of commitments and expected outcomes.
Activity	An operation or work process internal to an organization, which uses inputs to produce outputs, e.g., training, research, construction, negotiation, investigation, etc.
Annual report	An overview of the CRA's program delivery results, which details the performance of its programs against its goals and objectives and expected outcomes. It includes supporting financial exhibits.
Authorized spending	Initial planned spending (Main Estimates allocation) plus in-year funding through the Supplementary Estimates and other authorities.
Channel convergence	The integrated management of our key delivery channels, i.e., print, Web, phone, and in-person to reduce our operating costs and ensure consistent information for the taxpayers regardless of their channel of choice.
Clients/Client governments	Federal, provincial, and territorial governments, First Nations governments, and other governmental and semi-governmental bodies that deliver government-mandated programs.
Compliance	Adherence to the law. Total compliance with tax laws includes filing, registration, remittance and reporting for taxes, and applications for benefits in a voluntary, accurate and timely manner.
Corporate business plan	Outlines the CRA's major challenges, directions, and objectives for a three-year period; the strategies to achieve those objectives; and the performance measures to be used for measuring progress.
Data warehouse	A systems that collects, integrates, and stores an organization's data with two goals: producing accurate and timely management information and supporting data analysis.
Dispute	A general term to designate a dispute, objection, or appeal to the Minister made by or on behalf of a taxpayer or benefit recipient related to a CRA decision.
Effectiveness	The extent to which an organization or program's actual results align with the anticipated results.
Efficiency	The extent to which an organization or program achieves its desired or anticipated results with the least possible investment of time, effort, and money.
Eligible/Entitled	Meets the requirements to qualify to receive a specific service or payment/credit.
Enforcement	Actions taken by the CRA to identify and address cases of non-compliance.
Entitlement	The amount due to an entitled person for a specific period.

Expected results	Clear and measurable statements of what the CRA expects to achieve over the planning period, against which our performance will be assessed and reported.
Fiscal impact	Additional tax identified through our compliance activities and includes federal and provincial tax (excluding Quebec), federal tax refund offset or reduced, interest and penalties, and present value of future tax assessable.
Full-time equivalent (FTE)	A unit measuring a length of time for employment cost purposes in an operating budget. It includes incidental time necessarily used for annual leave, training, etc.
Governance	A comprehensive term that denotes the institution and processes by which an organization is directed or controlled.
Indicator	The qualification or quantification of a characteristic that is measured to assess the extent to which an expected result is achieved. In other words, it is a means of knowing whether or not we have achieved a desired result.
Infrastructure	Publicly or privately owned fixed capital assets for public use or benefit.
Investment project (major)	The CRA's strategic investments for the next three years.
Management Accountability Framework	A document that outlines the rationale, theory, resources, and governance and accountability structures of a program policy or initiative and sets out a plan to measure, monitor, and report on results throughout the lifecycle of the policy, program, or initiative. Management Accountability Frameworks are intended to assist departments in achieving the expected results of their policy, program, or initiative.
Management, Resources and Results Structure (MRRS)	A comprehensive framework that consists of an organization's inventory of activities, resources, results, performance measurement, and governance information. Activities and results are depicted in their logical relationship to each other and to the strategic outcome(s) to which they contribute. The MRRS is based on a Program Activity Architecture.
Mission	A statement providing the social, political, and economic justification for our existence. The CRA's mission statement reflects its identity, purpose, and desired response to key stakeholders, its philosophy and core values, and its ethical standards.
Operating environment	Refers, generally, to the conditions, trends, and developments that exist in the external environment and that are significant to the operations or directions of an organization.
Output	The actual activities, products, or services produced by carrying out a program or an initiative.
Partners	Authorities with whom the CRA collaborates on various issues for mutual benefit or to attain a common objective, but for whom the CRA does not provide a service as defined in its core business activities.
Performance	A term used to define how well an organization, program, etc. is achieving its planned results measured against expected results.

Performance reporting	The process of communicating evidence-based performance information. Performance reporting supports decision-making, serves to meet accountability requirements, and provides a basis for citizen engagement and a performance dialogue with parliamentarians.
Planned spending	An amount that reflects total planned budgetary spending, whether funded through budgetary appropriations or revenue credited to the vote, and that can also include adjustments anticipated as a result of budget measures.
Program	A group of related activities that are designed and managed to meet a specific public need and often treated as a budgetary unit.
Program Activity Architecture	An inventory of all the activities undertaken by a department or agency demonstrating the activities in their logical relationship to each other and to the strategic outcome(s) to which they contribute.
Revenue base	The broad range of goods, services, income, etc. that is subject to a tax.
Risk	The expression of the likelihood of an event to occur and its potential to affect the achievement of an organization's objectives. Risk is managed by using a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, acting on, and communicating risk issues.
Risk management	A systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, acting on, and communicating risk issues.
Service level (telephone calls)	The percentage of telephone calls answered within two minutes of when a caller enters the queue.
Service standard	A public statement of the level of performance the CRA is committed to, and that Canadians can reasonably expect to encounter.
Smartlinks	A CRA Web initiative used to track user issues on different parts of the CRA Web site that have generated high volumes of calls to a CRA call centre. Special telephone numbers are embedded in various pages on the Web site. These are then connected to a specific call centre operator to help the user with tax-related questions. A survey that probes the user's immediate past experience with the Web site may also be administered by the operator.
Stakeholder	Any person, group, or organization that can place a claim on an organization's attention, resources, or output, or that is affected by that output.
Strategic direction	Our plan to carry out our mandate and achieve our vision, mission, and goals.
Strategic outcome	A description of the difference an organization is mandated to make that provides long-term benefits to Canadians.
Strategies	A term that describes what is to be done to achieve targets, objectives, and goals in pursuit of the mission.

Sustainable development	A development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
Target	Specific quantitative and qualitative descriptors that define what an organization is trying to achieve over a specific period of time.
Taxpayer Relief Provisions	Legislation introduced in the early 1990s that provides relief (e.g., forgiveness of interest and penalties) to taxpayers in specific circumstances beyond their control.
Underground economy	Economic activity that is neither reported nor recorded. Thus payment of due taxes is avoided.
Values	The guiding principles that define an organization's corporate culture and reflect its managerial philosophy.
Vision	A future-oriented goal for the organization. It reflects the organization's high ideals and challenging ambitions, and captures its uniqueness and distinctive competence.
Voluntary Disclosures Program	A program that provides taxpayers with the opportunity to correct past errors or omissions, and to report, without penalty, their tax obligations to the CRA.
Waiver	When penalties or interest have not yet been charged, the decision not to charge the amount, either at the taxpayer's request or at the CRA's own initiative.